**Asian Granito India Ltd.**
**Regd. & Corp. Office:**
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Ahmedabad-380015. Gujarat, India.
Tel.: +91 79 66125500/698,
Fax.: +91 79 66125600/66058672
info@aglasiangranito.com • www.aglasiangranito.com
**CIN** : L17110GJ1995PLC027025

AGL TILES
*Beautiful Life*

Date: 29/10/2020

To,
Corporate Relations Department
Bombay Stock Exchange Limited,
2nd floor, P.J. Tower,
Dalal Street,
Mumbai – 400 001

**Company Code: 532888**

To,
Corporate Relations Department
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G-Block
Bandra Kurla Complex
Bandra (E),
Mumbai- 400 051

**Company Code: ASIANTILES**

Dear Sir,

**Sub: Submission of Annual Report including Notice of Annual General Meeting.**

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith Annual Report of the Company for the Financial Year 2019-20 and same is available on the website of the Company i.e. www.aglasiangranito.com .

You are requested to consider the same for your reference and record.

Thanking You.

Yours faithfully,

**For Asian Granito India Limited**

ASIAN GRANITO INDIA LIMITED AHMEDABAD

**Renuka. A. Upadhyay**
**DY.GM (Legal & Secretarial)**
**Encl.: As below**

AGL®
Asian Granito India Ltd.
Beautiful Life

# Aspiring INNOVATING ACHIEVING

2019–20 ANNUAL REPORT

AGL
Asian Granito India Ltd.
Beautiful Life

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# The Power of ASIAN GRANITO

**9**
Manufacturing facilities across Gujarat

**78**
Countries where products are exported

**40X**
Growth in production capacity since

**6,500+**
Number of touchpoints (dealers and sub-dealers)

**289+**
Exclusive showrooms across India

**13**
Company-owned display centres across India

**18,000+ SQ.FT.**
The biggest display centre in Ahmedabad

# Aspiring

…IS WHAT DRIVES INDIVIDUALS, SOCIETIES, AND ORGANISATIONS FORWARD

# Innovating

…IS THE CREATIVE PROCESS OF PUSHING THE BOUNDARIES OF POSSIBILITY

# Achieving

…IS TURNING IDEAS INTO RESULTS THROUGH PASSION AND COMMITMENT

AT ASIAN GRANITO INDIA LTD, EVERY DAY WE QUEST TO ELEVATE LIFESTYLES ACROSS SIX CONTINENTS. OUR INDUSTRY-LEADING PORTFOLIO OF FLOOR AND WALL TILES ARE NOW SUPPORTED BY OUR ELEGANT BATHWARE RANGE — TOGETHER, IT CREATES A NEW AESTHETIC IN CONTEMPORARY LIVING FOR EVERY MODERN SPACE.

WITH A BLEND OF BEAUTY, FUNCTIONALITY, DURABILITY, AND ADVANCED TECHNOLOGY, OUR PRODUCTS ADD SOMETHING SPECIAL TO THE CONSUMERS' WORLD.

ASPIRING TO A WIDER GLOBAL AND DOMESTIC PRESENCE, INNOVATING TO BRING MANY FIRSTS TO THE INDUSTRY, AND ACHIEVING BUSINESS GROWTH EVEN IN CHALLENGING TIMES, WE ARE STEADFAST IN OUR JOURNEY TOWARDS THE TWIN GOALS OF EXCELLENCE AND EXPANSION.

# THE ASIAN GRANITO STORY

HEADQUARTERED IN AHMEDABAD, GUJARAT, WE ARE ONE OF THE LEADERS IN INDIA IN MANUFACTURING VARIOUS TYPES OF TILES. OUR RANGE INCLUDES CERAMIC TILES, VITRIFIED TILES, OUTDOOR TILES, AND ENGINEERED MARBLE AND QUARTZ. THIS IS NOW COMPLEMENTED BY OUR SANITARYWARE RANGE, INTRODUCED AS A CURATED COLLECTION, TO BE DEVELOPED FURTHER.

OUR STORY BEGAN IN 2000, AND SINCE THEN, WE HAVE RAPIDLY GROWN TO BECOME INDIA'S ONE OF THE LARGEST LISTED COMPANY IN THE TILES INDUSTRY, WITH A GLOBAL FOOTPRINT THAT COVERS 78 COUNTRIES ACROSS ASIA, EUROPE, AFRICA, NORTH AND SOUTH AMERICA, AND AUSTRALIA. IN THE QUARTZ INDUSTRY, WE ARE IN 2ND POSITION NATIONALLY. IN THE BATHWARE INDUSTRY, DESPITE BEING A RELATIVELY NEW ENTRANT, WE HAVE RECORDED EXPONENTIAL GROWTH AND HAVE ROOM FOR MUCH MORE PROGRESS.

THE ₹ 35,000 CRORES TILES INDUSTRY IN INDIA STILL HAS A SUBSTANTIAL NUMBER OF UNORGANISED PLAYERS, BUT MACRO-ECONOMIC FORCES ARE TILTING THE SCALES IN FAVOUR OF ORGANISED PLAYERS, AND WE HAVE SIGNIFICANTLY BENEFITED FROM THIS — WE WERE THE FASTEST GROWING COMPANY IN INDIA'S TILES AND SANITARYWARE SPACE IN THE FIRST NINE MONTHS OF FY 2019-20.

BACKED BY OPTIMAL MANUFACTURING CAPACITY UTILISATION AND AN OUTSTANDING DISTRIBUTION NETWORK, WE CAN PRODUCE NEARLY 95,000 SQUARE METRES OF TILES AND QUARTZ DAILY, TO SERVE INDIVIDUAL AND INSTITUTIONAL CUSTOMERS AROUND THE WORLD.

## OUR VISION

TO BECOME A GLOBAL LEADER IN PROVIDING INNOVATIVE LIFESTYLE SOLUTIONS TO MAKE LIVES MORE BEAUTIFUL AND TO CREATE STAKEHOLDER SUCCESS.

## OUR MISSION

TO BECOME A LEADING TILE MANUFACTURING CONGLOMERATE ASPIRING TO RAPIDLY GROW OUR TURNOVER AND PROFITABILITY.

## OUR BELIEF

A TOUCH OF QUALITY IN RELATIONS.

## OUR CORE VALUES

### Integrity

We are fair and ethical while taking every decision.

### Discipline

We create and adhere to a strict code of conduct.

### Transparency

We share every learning and failure with the world and are open to feedback.

### Innovation

Being innovative is the belief and priority of AGL. It defines us and contributes greatly to our purpose of making lives more beautiful.

### Teamwork

We are committed to creating an environment of teamwork. Every member of AGL team is valued and respected for their contribution.

### Quality and customer focus

AGL strives to provide highest quality products with an objective to add value to the success of our customers.

### Continuous improvement

We consistently strive to improve our products, services, internal practices, skills and overall culture of the organisation through incremental and breakthrough progress.

# AGL PRODUCT PORTFOLIO

## TILES

Glazed vitrified tiles

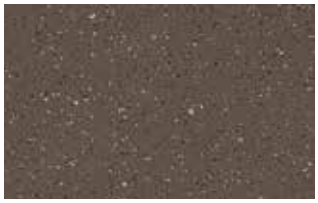
Double-charge


Polished vitrified tiles

Ceramic tiles

## QUARTZ SLAB

Multi-coloured quartz

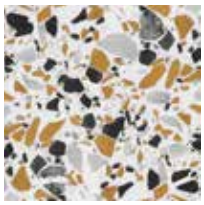

E Stone

## BATHWARE

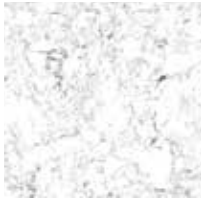
Sanitaryware

CP fittings

## COMPOSITE MARBLE


Multi-coloured marble

Perlato Royal


Nano-crystal marble

Imported natural marble

Onyx marble

Pearl Vista

## CERTIFICATIONS

**WE HAVE LED THE WAY IN...**

- INTRODUCING 450X450 OUTDOOR TILE WITH 12MM THICKNESS
- MANUFACTURING 30MM THICKNESS MULTI-COLOUR QUARTZ SLAB
- PIONEERING BEST WATER JET TECHNOLOGY
- ACQUIRING DIGITAL 9-COLOUR PRINTING TECHNOLOGY
- INTRODUCING LARGE FORMAT WALL AND VITRIFIED TILES
- INTRODUCING GRESTEK XXL LARGE FORMAT TILES
- INTRODUCING SLIMGRES TILES
- INTRODUCING 16MM THICK HEAVY-DUTY VITRIFIED TILES – GRESTEK HARDSTONE
- ESTABLISHING ONLINE VITRIFIED TECHNOLOGY
- INTRODUCING WORLD'S WHITEST DOUBLE CHARGE VITRIFIED TILES – CARRARA WHITE

## Global Footprints Across 78 Countries

* Map not to scale. For illustrative purposes only.

1. UAE
2. Sri Lanka
3. Italy
4. Saudi Arabia
5. Germany
6. Kenya
7. Greece
8. Kosovo
9. Romania
10. USA
11. Syria
12. Croatia
13. Palestine
14. Bangladesh
15. Mexico
16. Ethiopia
17. Australia
18. Bahrain
19. Taiwan
20. Israel
21. South Korea
22. Iraq
23. Botswana
24. France
25. Mayotte
26. Tunisia
27. Brazil
28. Nigeria
29. Paraguay
30. Thailand
31. Canada
32. Vietnam
33. Lebanon
34. South Africa
35. Mozambique
36. Mauritius
37. Liberia
38. FUI
39. Doha-Qatar
40. Kuwait
41. Oman
42. Argentina
43. Yemen
44. Morocco
45. Belgium
46. Medagascar
47. China
48. Colombia
49. Guatemala
50. El Salvador
51. Panama
52. Puerto Rico
53. Dominican Republic
54. Turkey
55. UK
56. Indonesia
57. Myanmar
58. Seychelles
59. Niger
60. Peru
61. Uganda
62. Tanzania
63. Ghana
64. Gambia
65. Sierra Leone
66. Burkina Faso
67. Congo
68. Senegal
69. Mauritania
70. Ivory Coast
71. Angola
72. Malawi
73. Albania
74. New Zealand
75. Spain
76. West Indies
77. Rwanda
78. Malaysia

# OUR JOURNEY TO LEADERSHIP

## 2000

Incorporation and commencement of operations

## 2002

Commenced production of 16"x16" ceramic floor tiles with 2,500 square metres per day capacity

## 2003

Production capacity of ceramic floor tiles enhanced to 6,000 square metres per day

## 2004

Established exclusive Asian Granito India Ltd (AGL) production facility at Himmatnagar with a manufacturing capacity of 4,000 square metres of 24"x24" and 20"x20" vitrified tiles per day

## 2005

- Expanded production at Himmatnagar plant to 6,000 square metres per day
- Introduced a new 36"x36" vitrified tile

## 2006

- Expanded Himmatnagar plant capacity to 18,000 square metres per day
- Established a 8.25 MW wind mill power project at Vanku in Kutch district

## 2007

- Floated an IPO; mobilised ₹ 67.9 Crores
- Launched AGL Tiles World (exclusive display centres) in 14 cities

## 2008

- Launched an exclusive collection of wall tiles
- Introduced India's largest wall tile (300x900mm) with a production capacity of 10,000 square metres per day

## 2009

Commenced production of a range of AGL marble slabs (10x4 square feet)

## 2010

- Increased wall tile production capacity by 20,000 square metres per day
- Established new digital printing/ technology for ceramic wall tiles
- Launched Bonzer7 brand

## 2011

- Commenced quartz slab production (10x4 square feet)
- Launched digital glazed vitrified tiles
- Introduced four-colour digital printing technology
- Increased AGL Tiles World showrooms to 20
- Established 18 depots pan-India

## 2012

Commenced six-colour digital tile printing

## 2013

- Introduced hi-tech 600"x 600" Tuff Guard digital Porcellanto value-added tile basket
- Introduced digital glazed vitrified tiles in the Tuff Guard range (800"x800" and 605"x605" variants)
- Expanded AGL Tiles World outlets to 50

## 2014

- Launched double-charge polished vitrified tiles in the large format (800x800 square mm)
- Introduced Carrara White in the large unglazed format
- Introduced eight-colour digital printing
- Increased the number of manufacturing units to eight
- Increased production capacity to 1 lakh square metres per day
- Implemented state-of-the-art technology at the Idar plant
- Launched the Grestek XXL tiles range

## 2015

- Launched 16 mm Grestek and Hardstone heavy-duty vitrified tiles
- Introduced digital-vitrified Grandura+ parking tiles

## 2016

- Amalgamation of Artisique Ceramics Pvt Ltd with Asian Granito India Ltd
- Launched Grestek-Marvel Colour Body tiles
- Introduced 1,000mmX1,000mm double-charge tiles, known as Jumbo
- Imperio double-charge tile launched in size 800mmX800mm

## 2017

- Expanded product portfolio in marble
- Introduced new multi-coloured quartz range

## 2018

- Launched 'Rainbow Glitz' and 'Eco Blanco' range
- Launched MarbleX 1,200x1,200 mm and 1,200x2,400 mm
- Opened 18,000 sq. ft. showroom in Ahmedabad

## 2019

- Launched special effect wall tiles – GVT MarbleX 900x1,800, TAC Tile, Step & Riser, and Hardstone 600x1,200
- Camrola started production of the quartz

## 2020

- Launched our bathware range, which was received very well
- Began a new campaign in the domestic market and strategised to expand in the international markets
- Strengthened the Company by bringing on board professionals who would lead the next phase of growth

# CHAIRMAN'S MESSAGE

**DEAR SHAREHOLDERS,**

IT IS MY PLEASURE TO PRESENT TO YOU THE ASIAN GRANITO ANNUAL REPORT 2019-20 AS YOUR COMPANY ENTERS THE 20TH YEAR OF ITS OPERATIONS, WITH A BRAND NAME THAT IS RECOGNIZED ACROSS THE WORLD AND A STRATEGY THAT DRAWS UPON THE UNIQUE STRENGTHS OF BEING INDIAN OVER OTHER COMPETITIVE ORIGINS.

THE YEAR UNDER REVIEW BEGAN WELL FOR YOUR COMPANY, WITH A 31% YEAR-ON-YEAR GROWTH IN THE FIRST QUARTER. BUT THEN, THE MACRO-ECONOMIC ENVIRONMENT BECAME RATHER CHALLENGING FOLLOWING THE GLOBAL ECONOMIC SLOWDOWN. THE YEAR ENDED WITH THE UNPRECEDENTED COVID-19 PANDEMIC, WHICH HAS SHAKEN THE WORLD AND WEAKENED ECONOMIES. THESE FACTORS HAVE HAD VARYING DEGREES OF IMPACT ON YOUR COMPANY.

The US-China trade war, one of the most significant elements of the global economy in recent times, has worked in favour of Asian Granito as well as other Indian ceramic manufacturers. The very heavy anti-dumping duties (totalling around 750%) levied on Chinese ceramic tiles and quartz by the United States opens up a major growth avenue for Indian players, especially those that already have an established international presence. The exact quantum of these duties, which had been on the cards since July 2019, was fully revealed in the first quarter of FY 2020-21. We had been well-prepared to take advantage of this, the US being one of our biggest international territories.

Depressed financial market and pressure on cost of real estate was offset by our cost efficiency measures, strong exports and the success of the newly introduced bathware range. Our efficiency measures include outsourcing the low-cost, we shifted low-margin products to external vendors and utilizing our own plants for the high-margin products.

The COVID-19 pandemic and the ensuing lockdown in India led to the loss of sales worth an estimated ₹ 120 crores in March 2020. But once again, we had been prepared for this, having anticipated the rapid spread of the virus beyond the Chinese borders. To counter the impact, we pared down our marketing activities and brand promotions, and postponed new launches, saving substantial costs in the last quarter of FY 2019-20. Through these well-planned and timely actions, despite in Q1, we have achieved a 103.6% year-on-year increase in Profit after Taxes.

Additionally, after the easing of the lockdown, your company was the first ceramic company headquartered in Gujarat to fully resume operations at all 9 of our manufacturing units. This was at a time when only 300 of the total 900 manufacturers in the state resumed operations and that too, with limited capacity.

## INDUSTRY DEVELOPMENTS

Within the Indian tiles and quartz industry, there was a shakeup in FY 2019-20, following the National Green Tribunal order for all coal-based ceramic manufacturers to move to natural gas. This brings a double advantage to your Company – one: Asian Granito has been a pioneer in natural gas-based ceramic manufacturing and, thus, was a step ahead of the NGT order; two: the order compels the unorganized players in the Morbi industrial hub for ceramics (in Gujarat) to move to greener manufacturing or face closure, a fact that helps organized players and stop unfair and unethical trade.

Stricter implementation of GST is another favorable aspect for the organized segment of the ceramics industry, as it eliminates opportunities for excessive price undercutting by unorganized players. The market will tilt further towards the organized segment as e-invoice system replaces existing billing systems which brings unorganized players under tighter regulation while this company like Asian Granito will be largely benefited.

## GROWTH OUTLOOK

Recent challenges notwithstanding, we see a promising scenario ahead of us, as the Government of India remains committed to promoting affordable housing, infrastructure projects, and the Smart Cities Mission.

Within the organisation, we have invested in digitalisation and people connect to expand our reach across India. The COVID-19 lockdown halted construction activities in metro and Tier I cities. Simultaneously, the reverse migration of workers meant an abundance of labour availability in Tier II and III cities and smaller towns and villages. As the lockdown began to be lifted in May 2020, the smaller cities and semi-urban pockets began generating substantial business resulting in both pent-up demand and new demand. The market positioning of our products is more in the middle and upper-middle segments rather than in the exclusively premium segment; this gives Asian Granito the right balance of aspiration and affordability. In order to build upon the customer base in non-metro areas, we have created a unique system of covering the last mile and executed the plan in June 2020.

To make our products have a wider reach and to penetrate in rural and smaller towns, through an automated online system, we are inviting individuals from all professions to become our business partners; training them; and then giving them the responsibility of garnering business from places outside the ambit of our regular sales and marketing teams. The individual business partners are given the digital tools to showcase our products to customers, and they receive their incentive as soon as a sale is concluded. The success of the pilot has motivated us to do a countrywide rollout. This is both a business growth device and our contribution to Aatma Nirbhar Bharat Abhiyaan.

Digitalisation in manufacturing will see us introducing robotics for our quartz lines being produced by our group company Amazoone Ceramics, in Himmatnagar. Our new line in quartz will have better quality, thickness, design, and shape, all suitable for the US market. This is a very important segment for us.

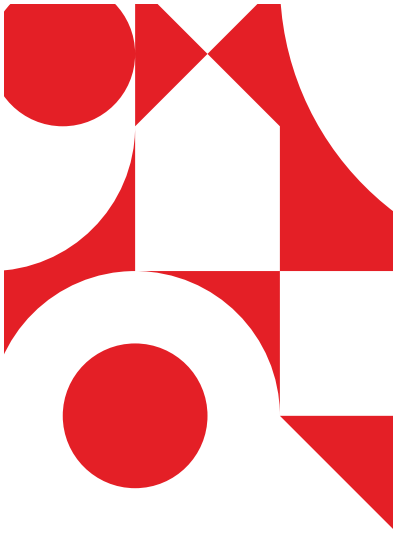
Increasing exports is a major part of our growth strategy. We aim to capture a much bigger share of the quartz market in the US, Europe, and Australia; our network should lead to higher exports of tiles as well. By FY 2021-22, we anticipate a significant increase in quartz export revenues, a major chunk of it coming from the US. The glazed vitrified tiles segment has been under price pressure for a while now, but we do not foresee any further decline.

We are proud to proclaim that your company bounced back to optimal capacity utilization from May 2020, with all 9 units up and running and a strong export order book, we should comfortably cover the losses sustained during April 2020 over the next few quarters.

Two successful decades are behind us, and the coming years will see us taking the Asian Granito brand and the 'Made in India' logo to more countries around the world. We have the management changes and talent acquisition necessary to make this happen. Please allow me to say a special word of appreciation for our employees, vendors and financial institutes, whose efforts have brought us this far. And we hope to have your trust and support, as always, helping us reach greater heights.

Warm Regards,

**Kamlesh Patel**
Chairman and Managing Director



**ASIAN GRANITO HAS BEEN A PIONEER IN NATURAL GAS-BASED CERAMIC MANUFACTURING AND, THUS, WAS A STEP AHEAD OF THE NGT ORDER**

A conversation with Mr. Mukesh Patel, Managing Director

# FROM THE MANAGING DIRECTOR'S DESK

**"OUR OVERALL REVENUE GREW BY 3% YEAR-ON-YEAR, FROM ₹ 1,186.7 CRORES IN FY 2018-19 TO ₹ 1,224.5 CRORES IN FY 2019-20. OUR EBITDA GREW 36%, FROM ₹ 86.5 CRORES TO ₹ 117.7 CRORES, AND PROFIT AFTER TAXES GREW 103.6% FROM ₹ 20.6 CRORES TO ₹ 42 CRORES.**

**Q How was the Asian Granito business performance in FY 2019-20?**

**A** Our overall revenue grew by 3% year-on-year, from ₹ 1,186.7 crores in FY 2018-19 to ₹ 1,224.5 crores in FY 2019-20. Our EBITDA grew 36%, from ₹ 86.5 crores to ₹ 117.7 crores, and Profit after Taxes grew 103.6% from ₹ 20.6 crores to ₹ 42 crores.

Segment-wise revenues for FY20 were: tiles ₹ 895.9 crores (down from ₹ 936.5 crores in FY19); marble ₹ 83.4 crores (up from ₹ 78.9 crores in FY19); quartz ₹ 180.4 crores (up from ₹ 127.1 crores in FY19); Power Grace ₹ 16.5 crores (up from ₹ 13.8 crores in FY19); and others (including sanitaryware) ₹ 28.5 crores (up from ₹ 16.1 crores in FY19).

Profit would have been higher, had it not been for the lockdown brought on by the COVID-19 pandemic in March, which is a key revenue generating month for our business. Nonetheless, our information network gave us early warning of the pandemic and we reined in our marketing and other associated costs. Therefore, despite the sharp decline in March sales, Q4FY20 saw a 29% increase in profitability year-on-year.

During the year, we continued to focus on augmenting retail sales, alongside winning more business from the government and institutional sectors. As of now, we have 300+ showrooms in India, of which 260+ have reopened. In the United States, which is a huge export market for us, we have opened an exclusive showroom. Networks are being strengthened in Europe, especially in France and Germany, and Australia.

**Q How was Asian Granito impacted by the anti-dumping duties imposed by the United States and the GCC, especially Saudi Arabia during the year?**

**A** It did cause disruption initially, but once the full extent of anti-dumping action became clear, we see that the situation is favourable to our business. In Q4FY20, our supplies to the US were stopped because of the anti-dumping action taken by that country. The US had at first imposed an anti-dumping duty of 87.5% on Indian quartz, but this was later revised to 3.19%. In Q1FY21, it became evident that the US would offer massive opportunities to established, internationally reputable ceramic manufacturers from India, such as Asian Granito. The US imposed very heavy anti-dumping duty (around 750%) on Chinese ceramic tiles and quartz. The respective figures are about 8% and 3% for products from India. This opens the doors for Indian ceramic suppliers.

Quartz is a relatively new business segment within the ceramics industry. There are not many manufacturing hubs in the world, and that puts Indian quartz in a position of advantage. Until the duties were imposed, China controlled 51% of the ₹ 11,000 crores quartz market in the US, followed by Spain at about 18%, while India's share was only 3%. With China on the back foot, Spain is aggressively increasing its market share and Indian players are doing the same. In two years, by 2022, quartz alone could bring us ₹ 75-200 crores plus in revenues, and much of it would be from the US.

As for the GCC anti-dumping measures, specifically in Saudi Arabia, we have no cause for concern there, because the Saudi Arabian authorities have a very well-structured tariff list. Manufacturers are rated as per their background, capacity etc. and the percentage of anti-dumping duty is decided accordingly. As a registered vendor in Saudi Arabia, we are in a comfortable position.

**Q How did the bathware segment perform during the year under review?**

**A** This segment is a supportive one to main sales of tiles as most of the dealers expect us to supply both tiles and sanitaryware together. This segment has been recording strong growth, and is set to remain a growth driver, as seen from the year-on-year figures, there was a 75% increase in our business segment that includes bathware. Our December 2019 launch of faucets and chrome-plated (CP) fittings in New Delhi was extremely well received by dealers. We pulled out all the stops to make the launch event a grand affair, displaying our state-of-the-art faucets in specially designed 'shower cubicles' installed at the launch venue. It was an experiential event, where dealers were able to test first-hand, in an elegant setting, how the faucets and fittings worked.

In the nine months from July 2019 to March 2020, our target from sanitaryware was ₹ 15 crores, but we closed at ₹ 12 crores (of which ₹ 10 crores was from sanitaryware and ₹ 2 crores from CP fittings) because of the pandemic. The 2021 target is ₹ 30 crores. And once we hit the numbers that we are aiming for, we shall consider in-house production. Gujarat, Kerala, and Telangana are the states where our sanitaryware range has done particularly well.

**100**
countries targeted for expansion

**6,500+**
touchpoints for distribution

Aspiration for premium bathware is growing in India, it is a practical way to access luxury for homeowners who may not have the opportunities or space or resources for retiling their walls and floors. We are well positioned to help them fulfil this aspiration, especially now, with our innovative digitalised platform for acquiring individual business partners in the relatively remote areas of the country. These individual business partners, whose day jobs may be anything from teaching to selling insurance, are taking the Asian Granito brand name and product knowledge to people who have the means to invest in quality, but could not until now receive the required information and advice. This is an innovative driver of B2C sales.

**289+**

Franchise-Owned Franchise-Operated showrooms

**13+**

Company-Owned Company-Operated display centres

**Q What is the current and future position of the tiles business?**

**A** Stressed real estate demand, has consequently reduced the demand for tiles. This is the only business segment where there was a year-on-year decline in revenue, though the drop was less than 5%, at the end of FY 2020. Prices in the GVT segment remained under pressure and came down marginally.

After the April-May 2020 lockdown was partially lifted, we resumed manufacturing at all 9 units with a very good export order book, and so we expect the revenue from tiles to get back on track in FY 2021. Domestic orders are coming from non-metro cities and towns, where labour is freely available and construction activities have restarted.

The real growth in the tiles segment is likely to come from the international market more this year than the domestic market. Asian Granito products strongly compete with Chinese products in terms of both quality and pricing. And the Chinese market share is what we are targeting now, since Indian products are looked upon more favourably by global consumers.

As we expand our dealer-distributor network overseas and established showrooms, both tiles and quartz will find greater acceptance in more countries, though quartz is likely to grow faster than tiles.

**Q Along with looking at greater profitability, what are the measures you are taking to keep a tighter rein on costs?**

**A** We are looking at ways to bring down our sales and marketing cost, which at 12% is already lower than the industry average of 14-16%. We are revising our strategy to focus more on digital marketing. An incentive-based pay structure for the sales and marketing team should drive sales higher and bring down fixed payroll costs. The acquisition of individual business partners, who are physically and culturally close to consumers in the smallest towns and semi-urban areas of India, will eliminate the travel expenses of our sales and marketing teams.

**Q What were the brand highlights of the year?**

**A** Increasing visibility is the most fundamental factor in whetting consumer desire for our products. We already had the 18,000 sq. ft. luxury tile arcade in Ahmedabad, the city's biggest such showroom, displaying our range of tiles, marbles and quartz. Now we also have a 25,000 sq. ft. showroom at Himmatnagar, where we recently unveiled a new product range in sanitaryware. Our GVT range of tiles will be used in Ethnix by Raymonds clothing stores, about 100 such stores would get the AGL tiles, giving us greater visibility among premium segment customers.

**Q How do you see the Company's growth prospects in FY2020-21?**

**A** We are currently present in 78 countries worldwide and our target is to reach 100 countries. With exports taking off and untapped demand in the domestic market being unleashed, we believe we shall continue on a steady growth trajectory. Our biggest competitor from Asia has been beaten back, and other international rivals do not undercut as China does. So, we should be able to take this as a very well-respected brand from India to markets that put a premium on quality and reliability.

As we move ahead on our ambitious growth path, I would like to acknowledge and thank our valued customers for placing their trust in us and our products; our employees for their professionalism and dedication; and finally, our investors and all other stakeholders for their trust and confidence in us. With your continued support, Asian Granito will scale new heights.

**18,000**

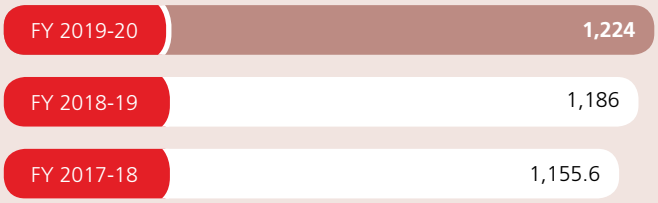
sq. ft. luxury tile arcade in Ahmedabad

**25,000**

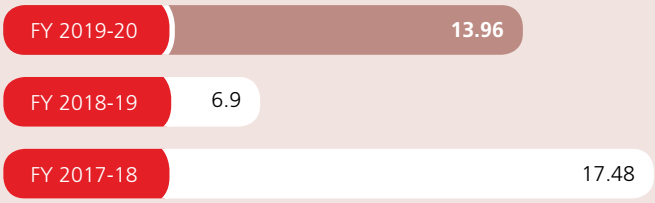
sq. ft. showroom at Himmatnagar

# PERFORMANCE HIGHLIGHTS

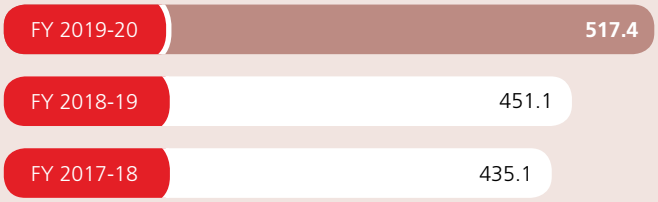
### Revenue (₹ in Crores)



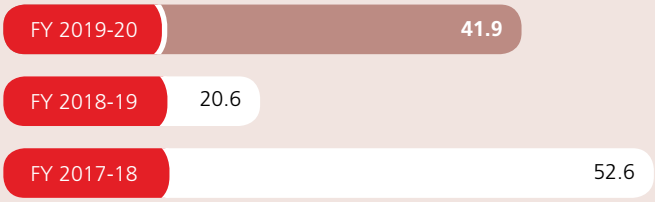

### Earnings Per Share (₹)



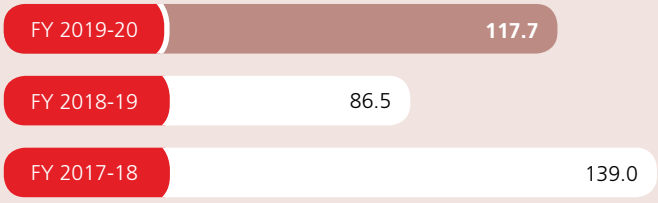

### Net Worth (₹ in Crores)



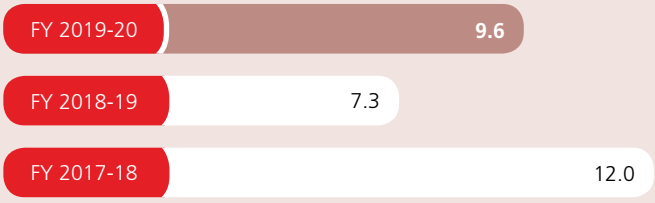

### Profit After Tax (PAT) (₹ in Crores)



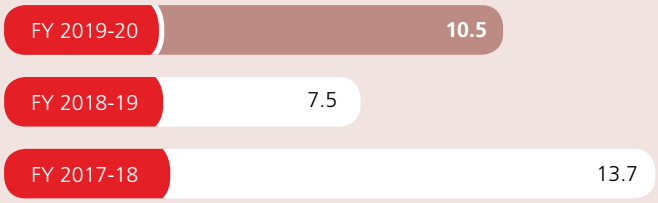

### EBITDA (₹ in Crores)




### EBITDA Margin (%)

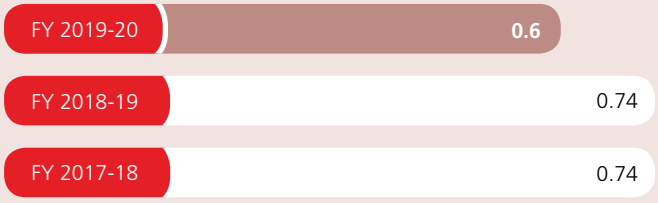


## ROCE (%)




## RONW (%)

## Debt Equity Ratio (%)



# Aspiring...

WANTING MORE AND DOING MORE IS WHAT DRIVES PEOPLE, SOCIETIES, AND ORGANISATIONS FORWARD. AS OUR CONSUMERS ASPIRE TO BRING MORE BEAUTY, DURABILITY, AND FUNCTIONALITY INTO THEIR LIVES, WE ASPIRE TO REACH MORE PEOPLE EVERYWHERE IN THE WORLD, OFFERING THE RIGHT BALANCE OF QUALITY AND PRICING. OUR MARKETS AND CONSUMERS ARE DIVERSE, AND SO ARE OUR PRODUCTS, WITH THE COMMON THREAD BEING A TOUCH OF DELIGHT.

We began our journey from Gujarat two decades ago, driven by the ambition of bringing quality ceramic ware to discerning consumers. Today, we fulfil consumers' dreams of extraordinary living and working spaces in 60 countries, with market-leading products in tiles, marble and quartz, and bathware. Our aim is to reach 100 countries, making Asian Granito a truly global entity.

To bring our products and consumers closer to each other, we have created experiences and brand campaigns sharply focussed on the target markets. In some markets, our advertisement rides on the back of an autorickshaw; in some other markets, we draw the consumer into a world of luxury at a curated mega-showroom. A unique partnership has been created between Asian Granito and Ethnix by Raymond, through which target consumers can literally walk over the AGL experience, as our tiles grace the floors of these premium clothing stores.

Our 18,000 sq. ft. luxury tile arcade in Ahmedabad and 25,000 sq. ft. showroom in Himmatnagar are of a scale that fully does justice to the range of our products, especially now that we have added premium bathware to our portfolio.

**We have achieved many firsts in the ceramic industry, and one of them is the digital printing of tiles. Supported by Italian technology, we pioneered digital printing in India, acquiring the ability to create tiles with unique designs in any required quantity. This was a valuable advantage in a highly competitive market, often catering to highly cost-conscious consumers.**

During the year under review, we have opened our first exclusive showroom in the United States and we are creating a line of quartz oriented towards the preferences of the US market. Europe, especially France and Germany, and Australia, are other territories where we aspire to grow. For the overseas markets, our USP is a complete basket of ceramics: tiles, quartz, composite marble, and bathware. For the next phase of growth, we are concentrating on building a network of wholesalers in US cities, along with fabricators, retailers, and warehousing. We shall be taking a very aggressive approach to competitive pricing and carry out surveys to identify opportunities. Over the next decade, we shall catapult Asian Granito to the global major league.

IN A SPACE WHERE OUR COMPETITORS ARE ALL TRYING TO DO THE SAME THING, ONLY BETTER THAN EACH OTHER, WE HAVE TAKEN THE ROUTE OF INNOVATION, OPENING UP NEW PATHWAYS OF CREATIVITY. SCIENCE AND AESTHETICS COME TOGETHER IN OUR UNIQUE PRODUCTS; TECHNOLOGY HAS LONG BEEN A PART OF OUR DNA, UNDERPINNING OUR DESIGNS. EVEN THE WAY WE REACH OUT TO CONSUMERS COMES FROM DIFFERENTIATED THINKING.

We are a ceramic ware manufacturer whose products are mostly positioned, in terms of pricing, in the middle to upper-middle segment of the tiles, marble and quartz industry. Our bathware is similarly positioned. This makes our products highly competitive in the domestic and international markets. But they also have a premium, exclusive feel, created by science-based value addition and state-of-the-art equipment for precision and luxurious finish and perfect aesthetics. With each product, we deliver more value than the price point suggests.

One of our recent innovation-led launches is a next-generation intelligent toilet named "Genius". An environment-friendly, water-saving product, it requires less than 4 litres to fully flush the waste. Its built-in deodorising system keeps bad odour at bay; the built-in water purifier filters the hard water in the flush cistern, preventing corrosion and discolouration; the heating system keeps the seat cover warm up to 5 levels; it has an instant water heating system for ablution in extremely cold weather; and it comes with a fluorescent night light. All these functions and more can be operated manually and also through a remote control. With this one toilet design, we have catered to multiple unmet needs of consumers, and this is the differentiation that we are striving to take to all parts of the world.

Our focus on innovation also kept us ahead of the curve when the National Green Tribunal directed the ceramic ware industry in Morbi, Gujarat, to switch from coal to natural gas for manufacturing. We had been using gas long before the directive, so there were no disruptions in our operations. Taking environmental and operational sustainability further, we have installed a very cost-efficient gas kiln in our assembly line, and are using a natural gas and propane mix for better cost savings.

**Very thorough research backs all our products. Taking the science up a notch, we have set up a centralised, ultra-modern laboratory compliant with IS 15622, ISO 13006, and EN standards. In vitrified tile manufacturing, our digital print heads and bars have been upgraded and replaced as per the latest versions of DPI (dots per inch), enabling us to improve the quality of digitally printed tiles. Through such continuous innovation do we create products that enhance consumers' quality of life.**

Our digitalisation thrust in sales and marketing has led to the building of a unique online platform for acquiring individual business partners, who can help us reach every corner of India. Through this initiative, we can leverage the local knowledge of our partners, combining that with digital tools to generate more sales from a diverse customer base, a creative and practical measure at the same time.

# Achieving...

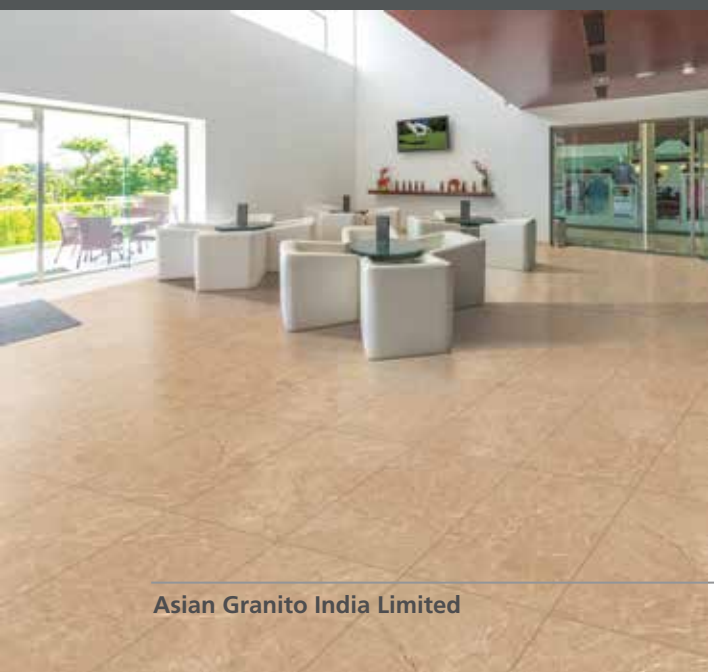
THE CULMINATION OF OUR RESEARCH, DESIGN, AND MANUFACTURING EXCELLENCE IS THE MOMENT A CUSTOMER CHOOSES THEIR ASIAN GRANITO TILE. BY DIVERSIFYING OUR CUSTOMER BASE, WE HAVE ENSURED BUSINESS SUSTAINABILITY, CATERING TO DIFFERENT CLIMATES, NEEDS, AND TASTES ACROSS THE DOMESTIC AND INTERNATIONAL MARKETS. NEW RELATIONSHIPS ARE FORGED AND EXISTING ONES NURTURED, ACHIEVING GREATER BRAND VALUE.

We have an established B2B (institutional and government) customer base, and in recent years, we have increased focus on the B2C (retail) segment for a more diversified and de-risked business. In the aftermath of the 2020 lockdown, the importance of the retail and institutional business coming from Tier II and III cities, smaller towns, and semi-urban pockets was reinforced. We reaped the benefits of reaching out to smaller customer clusters; these have been adding to our profits even as the larger clusters in big cities have experienced a slowdown.

In 2019, we focussed on increasing over-the-counter sales at our 302 exclusive showrooms in India. This pan-India presence enabled us to remain profitable, as newer consumers around the country were introduced to the Asian Granito brand of excellence, offered at competitive price points. Overseas, we have gained mind share in key markets by taking part in high-profile industry exhibitions and following that up by creating an optimal network of dealers and distributors. Consequently, the share of exports in the total revenue mix increased from 9.5% in FY 2018-19 to 14% in FY 2019-20.

Scale, agility, and higher profitability have been achieved during the year through an asset-light model, in which we outsource the low-cost, low-margin products and manufacture the high-margin products in-house. Alongside winning more orders, we have tightened control over working capital and inventory. Still more cost savings were achieved by the drop in gas prices and the digitalisation of sales and marketing.

Pulling together all the threads of our strategy, in 2020, we reached capacity utilisation of around 83%, which was higher than FY 2019, and enabled us to rationalise the fixed costs.



**We always strive to improve our relationship with trade partners, making them our 'growth champions'. Group trips to foreign countries help create a sense of camaraderie, greater loyalty to Asian Granito, and a more stimulating space for brainstorming on how to take the relationship forward for mutual benefit.**

Our product portfolio is a mix of the premium, the aspirational, and the affordable, making us a top competitor in every segment in every key country. Our mission is to inform consumers around the world about our unique selling proposition, both for business growth and brand value enhancement, which then feed off each other and create a virtuous cycle of progress.

# BUSINESS SEGMENT REVIEW

## Tiles

**Segment snapshot**

**The Asian Granito tile business spans four verticals of Commodity products – Ceramic, Vitrified, Glazed Vitrified Tiles, and Outdoor Tiles. Our current daily manufacturing capacity is 30 million square metres per day, and the tiles are sold in 78 countries. We have acquired Artistique Ceramics, Crystal Ceramic and Amazoone Ceramic, enhancing product variety, production capacity, sales, and reach.**

### PRODUCT RANGE

**CERAMIC TILES (WALL & FLOOR)**

Wall Tiles, Polished Porcelain, Tuff Guard Floor

**POLISHED VITRIFIED TILES (PVT) & DOUBLE CHARGE (DC)**

Soluble Salt, Twin Charge, Double Charge, (Jumbo & Imperio)

**GLAZED VITRIFIED TILES (GVT)**

Grestek, Hardstone, Marblex, Splendour Series, XXL Series, Slimgres, Marvel Series

**OUTDOOR TILES (HEAVY DUTY VITRIFIED TILES)**

Grandura +, Eco Blanco Roof Tiles

### PRODUCTION CAPACITY (square metres per day)

| Ceramic Wall | CGVT | PVT | Outsourced |
|---|---|---|---|
| **16,000** | **15,000** | **9,000** | **25,000** |
| Ceramic Floor | DC | Parking | |
| **10,000** | **12,000** | **4,000** | |

## PERFORMANCE SNAPSHOT

**₹915 crores**

Consolidated revenue

**18.2 msm**

FY20 production

**35.1 msm**

FY20 sales

## CONSOLIDATED REVENUE BREAK-UP FOR FY 2019-20 (%)

| | |
|---|---|
| Ceramic | 36% |
| PVT | 13% |
| DC | 20% |
| GVT | 31% |

## Our strengths

- Tech-led innovation in tile engineering and sizes, giving consumers a wider choice
- Reputation for many industry firsts, including a pioneering role in digital printing of tiles
- Product range that is premium yet very competitively priced for aspiring consumers

## Growth drivers

- Massive anti-dumping duty on tiles from China opens up great new export opportunities for tiles from India
- Domestic demand shows a near-term shift from metro and Tier I cities to Tier II and III cities, smaller towns, semi-urban pockets, and prosperous villages
- Government schemes such as 'Pradhan Mantri Awas Yojana' and 'Smart Cities', among others, will shore up real estate after the adverse effect of COVID-19 wears off
- Rising disposable income in India and a corresponding desire for beautification of living and working spaces
- Expanding network of AGL showrooms and retail touchpoints, bringing consumers closer to our products
- Higher proportion of value-added products such as premium GVT tiles, and double-charge tiles in product mix for better margins and greater market share

BUSINESS SEGMENT REVIEW

# Marble & Quartz

**Segment snapshot**

**The Asian Granito marble and quartz business is a fast-evolving one, increasing its share in our overall revenue. We are a leader in this space within India and a highly respected supplier in overseas markets. Our quartz exports to the United States, which has been a very important market, is set to grow at a faster pace now. Our current daily manufacturing capacity is 3,800 square metres per day, and the products are sold in 78 countries.**

## PRODUCT RANGE

### MARBLE

Multi-coloured Marble, Marble, Imported Natural Marble, Onyx Marble

### QUARTZ

Multi-coloured Quartz, EStone

## PRODUCTION CAPACITY (square metres per day)

Marble

**2,200**

Quartz

**1,600** standalone capacity

## PERFORMANCE SNAPSHOT

**₹263** crores

Consolidated revenue

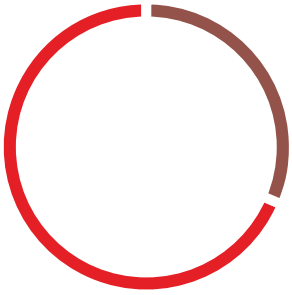
**0.95** msm

FY20 production

**1.3** msm

FY20 sales

## CONSOLIDATED REVENUE BREAKUP FOR FY 2019-20 (%)



| | |
|---|---|
| Marble | 32% |
| Quartz | 68% |

## Our strengths

- Based in India, we have access to the world's second-largest repository of stones and minerals, accounting for 15% of the global reserves
- Better quarrying technology has reduced wastage and led to the availability of more raw material, thereby improving production
- Headquartered in Gujarat, we are close to the main quarries in neighbouring Rajasthan, which lets us access raw materials very quickly and at a low cost
- Our quartz marble is stronger than granite, with a high surface hardness, greater durability, and better scratch resistance
- Low porosity means our stones are less susceptible to bacteria buildup, making them ideal for homes, educational institutes, and medical centres

## Growth drivers

- Anti-dumping duty on quartz from China opens up new export markets for quartz from India
- The Chinese retreat enables us to target a much bigger share of the ₹ 11,000 crores quartz market in the United States
- Europe and Australia are other key international markets for the quartz business
- Indian demand for quartz is set to rise as well, with greater awareness developing among consumers through our touchpoints

GRESTEK Marvel | GRESTEK HARD STONE | GRESTEK MARBLEX

## BUSINESS SEGMENT REVIEW

# Bathware

### Segment snapshot

**The Asian Granito bathware business is a relatively new segment, and therefore has much headroom to grow. We came close to meeting our target for 2020, but fell short because of the loss of business caused by the COVID-19 pandemic. The segment, with its 'complete solutions' approach, is performing very well, and when we achieve annual revenue of ₹ 30 crores, we shall strategise on moving the production model from outsourced to in-house.**

## PRODUCT RANGE

### SANITARYWARE

Water Closets, Basins, Urinals, Cisterns, Seat Covers

### FAUCETS & BATH FITTINGS

Taps, Bathroom Accessories, Showers, Allied Items

## PERFORMANCE SNAPSHOT

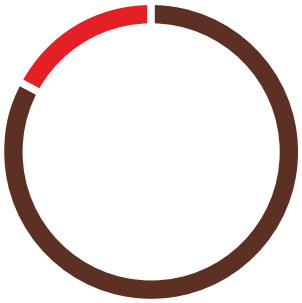
**₹11.9 crores**

Consolidated revenue

**98,235 units**

FY20 sales

## CONSOLIDATED REVENUE BREAKUP FOR FY 2019-20 (%)



Sanitaryware **83%**

CP Fittings **17%**

## Our strengths

- Our approach is to provide 'Complete Bathroom Solutions' under one roof, with the product range encompassing wash basins, water closets, urinals, and bath and basin faucets
- We already have a well-established distribution and dealer network and are utilising those to promote our bathware. As the business grows, we shall appoint sole distributors, dealers and sub-dealers
- With an asset-light model, where the bathware is produced for us by outsourced vendors, we have avoided major fixed costs
- Our showrooms, such as the 25,000 sq. ft. space in Himmatnagar and Ahmedabad can be utilised for displaying our bathware

## Growth drivers

- The Indian population now aspires to luxury; a bathroom created with premium products is one of the easiest ways to experience luxury
- As home ownership grows among the younger population, this consumer segment is more likely to invest in premium bathware
- Consumers are now more inclined to update their bathrooms with premium fittings
- Our high-technology, water-saving products will appeal to a country that is becoming increasingly aware of the need for resource conservation

# AWARDS

# CORPORATE SOCIAL RESPONSIBILITY

Distribution of notebooks to underprivileged students

Regular blood awareness

Contribution to Army fund

Contribution to Akshay Patra Foundation

# BOARD OF DIRECTORS

**Mr. Kamlesh Patel**
Chairman & Managing Director

**Mr. Mukesh Patel**
Managing Director

**Mr. Suresh Patel**
Executive Director

**Mr. Bhavesh Patel**
Executive Director

**Mr. Kanu Patel**
Executive Director

**Mr. Bhogilal Patel**
Executive Director

**Mr. Hemendrakumar Shah**
Independent Director

**Mr. Mukesh Shah**
Independent Director

**Ms. Dipti Mehta**
Independent Director

**Mr. Amrutlal Patel**
Independent Director

**Mr. Premjibhai Chaudhari**
Independent Director

**Dr. Indira Nityanandam**
Independent Director

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economic Review

The global economy recorded its weakest pace in Calendar Year (CY) 2019 since the global financial crisis in 2008. As per International Monetary Fund (IMF), global gross domestic product (GDP) grew by 2.9% in CY2019, lower than the growth rate of 3.6% it exhibited in CY2018. Macro-economic developments such as rising trade barriers between the US and China, and concerns over Brexit, weighed down manufacturing and trade activities. Whereas, country specific shocks in the emerging economies, flooding in eastern Africa, hurricanes in the Caribbean, and bush fires in Australia, contracted consumption demand sharply and muted world GDP growth. The efforts to restrict the economic slowdown and revive growth were completely derailed with the outbreak of COVID-19 in the first quarter of 2020. Governments across the globe imposed strict lockdowns and social distancing measures to contain the spread of the virus.

Advanced Economies (AEs) recorded a lower growth of 1.7% in CY2019 after recording a growth of 2.2% in CY2018, primarily due to lower economic growth posted by the US at 2.3% in CY2019 as against 2.9% in CY2018. Emerging Markets and Developing Economies (EMDE), too, witnessed slower economic growth at 3.7% in CY2019 as against 4.5% in CY2018 due to subdued consumption demand.

The IMF, in its World Economic Outlook April 2020 report, projected global economy to decline by 3% in CY2020 by factoring in the negative impact of ceased manufacturing plants, disrupted supply chains, and standstill global business activities due to pandemic imposed lockdowns. While it forecasts GDPs of AEs and EMDE to decline by 6.1% and 1% in CY2020 respectively, it expects a strong recovery in CY2021 on the assumption of successful containment of the pandemic and resumption of the business operations. It projects the world economy to grow by 5.8% in CY2021, with AEs growth pegged at 4.5% while that of EMDE at 6.6%.

**World Economic Output Growth in %**

| Country | CY2018 | CY2019 | CY2020 (P) | CY2021(P) |
|---|---|---|---|---|
| World output | 3.6 | 2.9 | -3.0 | 5.8 |
| Advanced economies | 2.2 | 1.7 | -6.1 | 4.5 |
| US | 2.9 | 2.3 | -5.9 | 4.7 |
| Euro Area | 1.9 | 1.2 | -7.5 | 4.7 |
| Japan | 0.3 | 0.7 | -5.2 | 3.0 |
| UK | 1.3 | 1.4 | -6.5 | 4.0 |
| Other advanced economies* | 2.6 | 1.7 | -4.6 | 4.5 |
| Emerging Markets and Developing Economies | 4.5 | 3.7 | -1.0 | 6.6 |
| China | 6.7 | 6.1 | 1.2 | 9.2 |
| India (FY) | 6.1 | 4.2 | 1.9 | 7.4 |

*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries, P = projections, FY: Financial year

## Indian Economic Review

Indian economy, amid global slowdown and internal issues, registered economic growth at 4.2% in FY 2019-20, significantly lower than 6.1% growth it delivered in FY 2018-19. The country's consumption demand witnessed significant contraction owing to higher unemployment rates, stagnated rural wages, and lack of credit availability on account of liquidity crisis in the non-banking financial sector. On the supply side, excess ideal production capacity, shrinking corporate profitability and infrastructure constraints resulted in lower fresh private investments and employment generation,which protracted economic recovery further.

The COVID-19 outbreak in the fourth quarter of FY 2019-20 accentuated challenging economic conditions further as the Government of India (GoI) imposed strict lockdown and curtailed all business activities and free movement of the people. GoI, to tackle economic and health crisis posed by the pandemic, announced a ₹ 20 lakh crores special economic and comprehensive package, equivalent to 10% of Indian GDP, under the Self-Reliant India Movement. This is aimed at providing various relief measures to the country's marginalised population, farmers and health-care workers while providing liquidity boost to the Indian banking system and Micro, Small, and Medium Enterprises (MSMEs).

The Reserve Bank of India (RBI), provided monetary stimulus by slashing key repo rate in several tranches during 2020. Later, it was slashed by another 115 basis points, in response to COVID-19 to revive the economy's growth rate back to its earlier trajectory. It was reduced to 4%, a total deduction of 135 basis points during the year.

Key Indian sectors such as automobile, aviation, MSME, and real estate, which were already facing the brunt of demand slowdown, were severely impacted due to imposed lockdowns as their operations came to screeching halt. Even as the restrictions are now being scaled back gradually across the country, the industrial production and manufacturing activities are expected to remain subdued. This is largely due to extreme uncertainties in the demand outlook for non-essential products, liquidity crunch in MSME sector, labour and key raw materials shortage, and logistical constraints. In this backdrop, the IMF projects India to post a subdued GDP growth of 1.9% in FY 2020-21. However, it is noteworthy that, India remains one of the few economies globally, expected to deliver a positive growth in FY 2020-21. IMF further expects Indian GDP growth to rebound at 7.4% in FY 2021-22 post successful containment of the pandemic.

The long-term growth outlook of the country continues to remain positive in the backdrop of structural reforms by the Government such as GST regime, Make in India, Skill India, and Direct Benefit Transfer schemes, among others. These measures would be well complemented by lower international crude oil prices which is expected to keep inflation within bounds and lower the current and fiscal account deficit as well.

## Industry Overview

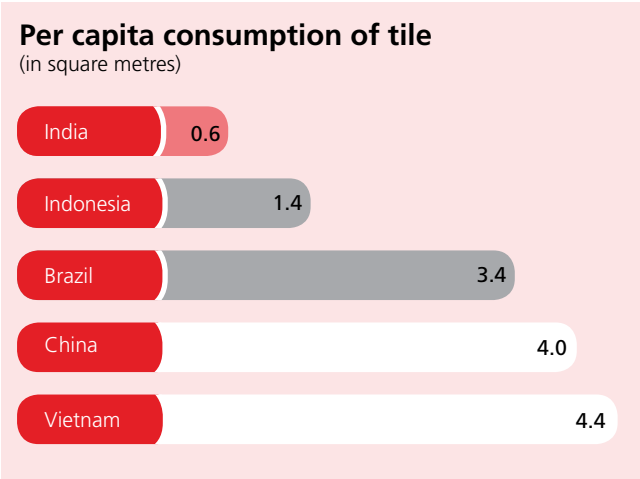
### Global tiles market

The global ceramic tile market was valued at an estimated USD 97 Billion in 2019 and is forecasted to grow at a compound annual growth rate (CAGR) ~9% to reach USD 228 Billion by the end of the year 2029. Rapid urbanisation and growing per capita income, especially in emerging countries such as India, are triggering higher demand in the residential, commercial, and industrial construction activities. These are providing the growth impetus for the flooring products, including ceramic tiles.

(Source - https://www.persistencemarketresearch.com/market-research/ceramic-tiles-market.asp)

### Indian Tile Market

India continues to be the second-largest producer and consumer of tiles in the world after China owing to the strong demand in the growing construction sector and a rise in exports to the global markets. On the supply side, capacity enhancements, technological advancements, and availability of a wide range of product portfolio enabled the industry to cater to rising domestic and overseas demands successfully. As per the ICRA report, Indian tile industry exhibited a CAGR growth of ~11% from 2008 to 2018, even as growth slowed down in the last 2 years on account of muted residential real estate construction activity. The Government initiatives such as Pradhan Mantri Awas Yojana (PMAY), Smart Cities Mission (SCM), and Atal Mission for Rejuvenation and Urban Transformation (AMRUT), targeted to boost construction activity in the affordable housing segment, is expected to trigger higher demand for tile industry products. Additionally, initiatives such as Swachh Bharat Abhiyan (SBA) will support higher replacement demand and ensure sustainable growth demand for the industry product. Furthermore, India's per capita tile consumption at 0.60 square metres, stands underpenetrated compared to global averages which will bode well for the industry growth in the coming years.




### Morbi cluster

The Indian tile industry is ₹ 35,000 crores market with organised players commanding ~43% market share at ₹ 15,000 crores, while the rest ~57% market is captured by the unorganised segment. Majority of the unorganised players are based in the Morbi cluster in Gujarat, which is the largest tiles manufacturing zone in India. It houses more than 900 units, generates employment for more than 4 lakh people, and contributes ~75-80% of the country's tiles and sanitary ware products in volume terms. Backed by its exports-oriented units, the Morbi cluster exports ₹ 10,000 crores worth of tiles every year.

(Source - https://timesofindia.indiatimes.com/city/rajkot/relief-for-morbi-units-as-dgft-starts-releasing-rs-100-cr-exportincentives/articleshow/69275087.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### Key developments in the ceramic industry

The unorganised market in the Morbi region has been facing multiple headwinds for the past few years. This includes:

- **Anti-dumping duty by the Gulf Cooperation Council (GCC):** GCC imposed anti-dumping duty on Indian ceramic products in April 2020 for five years ranging from 40% to 106%. With ~400 units in Morbi, out of 1,000 plus factories in the region, being exclusively catering to the Gulf countries were severely damaged which weighed down the production output.

  (Source - https://timesofindia.indiatimes.com/city/rajkot/anti-dumping-duty-on-indian-ceramics-in-uae-from-today/articleshow/76223930.cms)

- **Higher raw material prices:** Rajasthan government imposed a ban of 2 years in April 2020 on the supply of key industry raw materials such as soda feldspar and Potash feldspar in the chips form. Unorganised players, being forced to procure expensive raw material in the powder form, faced a higher cost of production with resultant pressure on profitability.

- **Order by National Green Tribunal (NGT):** Around 400-450 units in the Morbi region were impacted due to NGT order that mandated plants to operate on natural gas instead of coal gas from 6th March 2019. Natural gas, being 30% more expensive than the coal gas further aggravated the financial viability of units which were incapable of switching to natural gas immediately due to financial constraints or availability of pipeline infrastructure.

- **COVID-19 impact:** With severe lockdown imposed by the Government and lack of demand in both domestic as well as the overseas market, particularly from the Gulf countries, majority of the unorganised units couldn't resume production activities for a prolonged time.

### Structural shift from unorganised to organised market

The industry is witnessing a gradual shift from an unorganised market to an organised market owing to:

- Tightening government regulations bringing the organised and unorganised segments to the level-playing field.

- Growing brand-conscious customer base.

- Rapid urbanisation and increasing per-capita disposable income, and

- Government support for the affordable housing segment, triggering higher demand for the new construction and re-construction activities.

Furthermore, the organised market, through its differentiated products offering, is able to address rising consumer demand for superior quality products, wider designs and value-added benefit. These factors, in combination, are bringing about a market share shift from the unorganised to the organised market. Organised players are also witnessing superior acceptance in both domestic as well as international markets due to their technologically advanced, more environment-friendly natural gas-based plants. Backed by these advantages, the organised market is expected to outpace the unorganised market for the foreseeable future.

### Import-Export trends

Indian, as of today, stands as the fourth-largest ceramic tile exporting country backed by the implementation of advanced technologies, low labour cost advantage, abundant raw material availability, and best-in-class product portfolio. Additionally, the imposition of anti-dumping duty on Chinese products enabled the Indian tile industry to strengthen its global competitive position. ~65% of the country's exports cater to demands of Gulf countries, Mexico, and Brazil collectively. However, post anti-dumping duty levied by GCC, the share of Gulf countries in the total exports is likely to come down. On the imports side, an anti-dumping duty levied by India Government on the soluble salt double charged tiles, porcelain tiles, and vitrified tiles from China reduced Chinese imports from earlier 80% to 50%.

### Industry Trends

**Tile Surface:** Natural appearance with marble, stone and wood finishes continues to be the preferred form of tiles in India, which is being enabled by the high-resolution printing technology. These are increasingly used in home décor in the kitchen and bathrooms. Consumer preference over the past few years has also been shifting from shiny material to matt and rustic finishes.

**Technology:** Technology continues to play an important role in the tile industry while addressing customers' pain-points. By deploying advanced solutions such as nano-technology ceramic sealants, the industry is capable of supplying dirt, stain, and bacteria resistant tiles that are also easier to clean.

High-Definition digital printing technology with 300 dpi resolutions is enabling the industry to offer smoother tiles with a wide variety of designs, textures, and shades. Consumers are showing an increasing preference for these tiles on account of the variety and fineness of natural texture patterns.

**Design and Appearance:** Consumers are increasingly becoming design-conscious and are exhibiting higher preference to seamless flooring that provide better aesthetics. This has led to higher demand for large format tiles in size of 120X80 cm and 120X60 cm that require fewer joints. On the other hand, small and medium-sized tiles are finding more preference as replacements for old floorings.

### Industry growth drivers

Growth Impetus to the real estate: The Government of India has announced several initiatives to boost the affordable housing sector. Few of these include:

- ₹ 25,000 crores alternative investment fund to help restart and complete stalled affordable projects

- Interest-rate deductions to property purchasers and tax-holidays for developers

- Increasing scope for affordable housing to make it eligible for priority sector lending

- Giving infrastructure status to affordable housing

- Reduction in GST rates and exemptions in long term capital gains tax

These measures are expected to provide growth impetus to the housing sector, and concurrently trigger higher demand for the tile industry.

**Anti-dumping Duty:** The Directorate General of Anti-Dumping and Allied Duties (DGAD) imposed definitive anti-dumping duty on ceramic tableware, kitchenware, and vitrified tiles imported from China. The anti-dumping duty of EUR 0.85 per kg on ceramic tableware was levied for five years from June 2017 till 2022. This is expected to increase the price competitiveness of the domestic tile industry while curbing imports from China.

**Reduction in GST rates:** The price gap between organised and unorganised segment narrowed considerably as the Government reduced the GST rates from earlier 28% to 18%. This also enabled the organised segment to cater to the premium tiles requirement of the real estate due to better pricing.

**Growth in Urbanisation:** The demand for residential housing is set to rise with the country's growing urban population, estimated to reach ~ 54.3 crores by 2025. As per the report by Royal Institution of Chartered Surveyors (RICS) and international property consultant Knight Frank, the current housing demand stands at ~10 million units, while it is estimated to touch ~25 million units by 2030. The residential growth would also trigger commercial construction such as office spaces, malls, and hotels, among others. These will provide sustainable demand for the ceramic industry's products.

**Rising disposable incomes:** Premium ceramic tiles and sanitary ware products are witnessing higher offtake, particularly in the metro cities on account of better job opportunities, salary hikes, and superior brand awareness. Tier-II and Tier-III cities are also following these trends with rising aspirations and willingness to spend on premium products having superior quality and better aesthetics.

**Government initiatives:**

### Affordable housing for all:

- The Government launched the 'Pradhan Mantri Awas Yojana' (PMAY) scheme – Urban and Gramin, to provide ~1 crore affordable urban houses and 2.95 crore rural houses in 2022 respectively. It also increased allocation to the scheme from ₹ 25,328 crores in FY 2019-20 to ₹ 27,500 crores in FY 2020-21. The consumption of the ceramic sanitaryware is likely to increase as all construction activity under PMAY are required to adhere to the National Building Code standards.

- The Government launched Smart City Mission (SCM) to provide best-in-class infrastructure support and services to selected cities and has allotted ₹ 500 crores for each of the identified city.

- Additionally, it also launched AMRUT scheme to upgrade basic urban infrastructure across 500 towns and cities.

These measures are expected to increase demand for flooring and ceramic materials significantly.

### Swachh Bharat Abhiyan (SBA)

The Government launched a massive mass movement 'Swachh Bharat Mission' (SBA) to create a Clean India by 2019 and built over 9 crore toilets since its launch in October 2014. The significant demand generated from SBA was addressed largely by economical products of the unorganised segment, while organised players too captured some market share by offering low priced range.

### Successful implementation of GST Regime

Successful implementation of the GST brought the unorganised sector under the tax purview, which improved price competitiveness of the organised sector. Furthermore, the expected implementation of online E-way bill is likely to bring more efficiencies in the market and enable the organised sector to command higher market share.

**Perspective and Outlook**

Amidst subdued global and domestic demand scenario, exacerbated by COVID-19 crisis, the weakness in the tile industry is likely to continue in FY 2020-21. Ceramic tile industry's key end customer – real estate sector, is expected to face further slowdown in both new and replacement market due to overhang of unsold inventory, liquidity crunch, labour shortage and weak buyer sentiments. As per ICRA report, relatively lower impact of coronavirus in India's key export destinations such as Gulf countries, Iraq, and Mexico, among others would make exports market to recover faster compared to domestic markets.

(Source - https://www.outlookindia.com/newsscroll/not-just-money-we-are-losing-time-too-indian-tennis-players-talk-about-covid19-fallout/1802120?scroll)

With all Safety measures and guidelines by Ministry of Home Affairs, Company has started to function its operations in most parts of the country and started course of operation across all its 9 plants, 13 offices & display centres. Head office with necessary staff has also started to function to provide market support and requirements. Company's 260 exclusive showroom out of 300 plus showrooms across the country have opened up and started its usual functioning with safety and precautions. We aim to achieve optimum production capacity very soon.

While the industry faces short-term challenges, its long-term growth outlook continues to remain structurally positive. With the government's substantial push to housing segment, GST and E-way bill, strengthening organised markets in the domestic market coupled with the industry's rising competitive position in the global markets, the tile industry is well positioned to grow at a healthy, rate in the coming years.

We anticipate temporary hiccups due to COVID-19 in the short term, however, we are confident that with our focussed growth strategy and support from all our stakeholders, company will be able to bounce back on its growth path and shall achieve new heights.

## SWOT Analysis

### Strengths

- Structural domestic and overseas demand
- Aspirational youth preferring branded and value-added products
- Skilled labour availability at low cost
- Availability of state-of-the-art advanced technologies
- Raw material availability at competitive rates
- Growing popularity of premium, value-added and aesthetic products

### Opportunities

- Government growth impetus to affordable housing through PMAY, SCM, AMRUT and Housing for All by 2022
- Improving the standard of living and aspirational needs backed by higher dual income
- Rapid growth in urbanisation triggering both residential as well as commercial construction activities

### Threats

- Regulatory changes
- Cheap imports and lower cost product supply to the global markets by China
- Fluctuations in key raw material and fuel costs
- Forex losses due to currency fluctuations

### Weaknesses

- Inconsistent raw material quality
- Fragmented market with significant market share commanded by the unorganised sector

### Indian Natural Stones Industry

According to Federation of Indian Granite & Stone Industry (FIGSI), India ranks second-largest in the deposit of natural stones globally with 15% of the natural stone reserves and stands fourth-largest in the natural stone trade globally. The country has rich resources of high-quality natural stones like granite, marble, sandstone, slate, limestone and quartzite, among others.

The domestic quartz industry is valued at an estimated ₹ 1,000 crores, with organised segment commanding 80% of the market share. On the exports front, India exports to more than 80 countries around the globe, and as per FIGSI, it exported ₹ 14,000 crores of natural stone in 2018 and estimates 5% growth in exports in 2019.

(Source - https://www.deccanherald.com/business/business-news/lack-of-policy-support-slows-indias-natural-stones-export-801098.html)

The industry implemented superior technology in the quarrying sector for all its operations, like cutting, drilling & handling. It also implemented wire and circular saw cutting that enabled blast-free, safe and environment-friendly production of natural stones. These measures have enabled the industry in achieving significant growth in finished natural stone production.

## Company Overview

The Asian Granito India Ltd (The Company or AGL), established in the year 2000, has emerged as one of the leading ceramic companies in India. Over a short span of two decades, it has built a distinctive reputation for itself in India as well in the global markets as a manufacturer of a wide variety of finest quality Ceramic Tiles, Engineered Marble and Quartz. The Company, since its inception, has grown its production capacity by ~40 times from 2,500 square metres per day in the year 2000 to nearly 94,000 square metres, today. The total capacity of the Company stands at 31.35 million square metres (msm) per year, with 30.00 msm per year capacity of Ceramic Tiles and the 1.35 msm per year of the Marble and Quartz.

AGIL products are synonymous with reliability, adaptability, innovation, quality consciousness and the company has created a strong brand identity, well recognized globally and loyal customer following across segments. The Company has 9 state-of-the-art manufacturing units spread across Gujarat and 300+ exclusive showrooms, 13 display centres across India. Further, the company has an extensive marketing and distribution network.

The company looks to strengthen its identity as the leader in the Indian ceramic industry by consistently introducing innovative and value-added products in the market to keep pace with its valued customers.

Company is also looking to engage with global players with an objective to make India a global manufacturing hub for tiles and sanitary ware and aims to provide end-to-end solutions including quality assurance, packaging, efficient supply chain management, and adherence to stringent compliance and ethical norms. In-line with this strategy, AGL has recently started catering to demand from Siam Cement Group (SCG), one of the largest cement and building material companies in Thailand and Southeast Asia. SCG has presence in 21 countries including Indonesia, Malaysia, Vietnam, Philippines, Sri Lanka and others.

## Business Segment 1 – Tiles

### Consolidated Snapshot

- Manufacturing Facilities: Himmatnagar, Idar, Dholka, Meshana and Morbi
- Installed Capacity: 30.0 msm per annum (including 8.3 msm per annum of contract manufacturing)
- Production in FY 2019-20: 18.2 msm per annum
- Capacity Utilisation: 84%
- Sales in FY 2019-20: 35.1 msm
- Sales Growth over FY 2019-20: -1%
- Contribution of Tiles in Total Revenue: 77%

### Business Overview

The Company manufactures tiles under four verticals:

- Ceramic
- Polished Vitrified (PVT)
- Glazed Vitrified (GVT), and
- Double Charge (DC)

Overall, tile revenue witnesses decline of -1% from ₹ 947 crores in FY 2018-19 to ₹ 915 crores in FY 2019-20, while the exports grew from 9.5% in FY 2018-19 to 15.7% in FY 2019-20.

### Operational Strengths

The Company offers a wide range of tiles across product categories which includes ceramic tiles for wall and floor, glazed vitrified tiles (GVT), polished vitrified tiles (PVT) and double charged tiles. The Company ranks amongst the top ceramic tiles companies in India in the backdrop of:

- Robust 95,000 msm per day capacity through 9 state-of-the-art manufacturing units
- Product offerings in different sizes, polishes and finishes
- Product availability across all price range from ₹ 30 per sqft to ₹ 235 per sqft, and
- Extensive distribution network with 300+ showrooms on FOFO model and COCO model

While the Company has a pan-India distribution network with over 6,500 dealers covering metro, tier I, and tier-II cities, it also has made good progress in its overseas operations. It has increased its exports footprint to 78 countries from 58 countries a year before.

The Company continues to focus on introducing innovative and value-added products in the market to keep pace with its valued customers and has pioneered many products that have set the trends in the industry. For instance, the Company was First to Introduce:

- 450x450 Outdoor Tile with 12mm thickness
- 9-colour printing technology
- Online vitrified technology, and
- Large format wall and vitrified tiles, among others

The Company endeavours to come up with innovative products that enable it to achieve higher realisations and better margins.

### Retail Strength

The Company has over 289 franchisee-owned and franchise-operated Exclusive Brand Outlets, 13 Company-Owned and Company-Operated (COCO) display centres. It has opened 400-500 square feet (sqft) Tile Express outlets in metro cities, 800-1000 sq. ft. AGL Exclusive outlets in B and C class cities, 1,600-2,000 sq. ft. AGL World outlets in peripheral metro locations to cater to growing demand. The Company also operates standalone AGL Universe stores in Bengaluru, Kerala, and Hyderabad that spans more than 2,500 sq ft. The Company plans to increase its network penetration from current 6,500 touchpoints to over 10,000 touchpoints and network of exclusive showrooms to over 500 from current 300 plus.

## Business Segment 2 – Marble and Quartz

### Consolidated Snapshot

- Manufacturing facilities: Dalpur
- Installed Standalone capacity: 1.25 msm per annum
- Standalone Production in FY 2019-20: 0.95 msm
- Standalone Capacity utilisation: 76%
- Consolidated Sales FY 2019-20: 1.3 msm
- Contribution to the total revenue FY 2019-20: 20%
- Consolidated Revenue growth FY 2019-20: 14%

### Business Overview

In light of the growing demand and superior margins, the Company focussed on increasing the share of marble and quartz segment in the revenue mix. These efforts yielded good results as the segment accounted for 21.5% of the consolidated revenues in FY 2019-20 as against 18% in FY 2018-19.

The Company continues to be the largest manufacturer of the quartz in India post-commissioning third line of quartz at the Dalpur facility in April 2017. Currently, it has a standalone installed capacity of 3,800 msm per day. The Company's strategic location enables it to procure key raw materials from the quarries in Rajasthan at modest logistical costs. Backed by the strong brand reputation, pan-India presence and high-quality, differentiated products, the Company holds a commendable position in the domestic market. It has also received encouraging traction from the International markets, and it targets to increase segment exports significantly. To meet this end, it has established a dedicated sales team with support staff and has adopted distributor-led model for the overseas operations.

### Operational Strengths

The Company has been able to offer unique and differentiated products in the market owing to its deep experience of more than 9 years in the segment and strong R&D investments. The Company offers multi-colour quartz having the highest silica content at 99.99% versus standard 97% silica concentration offered by the industry. It also makes its quartz products available having a thickness of 20 mm and 30 mm as compared to 15 mm thickness offered by the competition. This has enabled the Company to garner superior customer satisfaction in the domestic markets while achieving an aggressive growth in the marble and quartz segment.

## Business Segment 3 – Sanitaryware Solutions

The Company launched AGL Bathware range in December 2019 with 300 plus SKUs of faucets, showers, and bathware accessories. This coupled with the earlier launch of sanitaryware and CP fittings range, would provide complete bathroom solutions under the AGL brand. It aims to become a prominent bathware brand nationally by leveraging its vast distribution reach and brand equity. It also plans to build a standalone network of 500 plus dealers through more than 50 distributors for the faucets and sanitaryware over the next 12-18 months.

## Risks, Concerns & Mitigation

The Company has established a robust and comprehensive framework for the identification of risks that may severely impact its competitive position and profitability. It reviews the existing risks periodically and strives to identify new and emerging risks and formulates strategies to undertake preventive/corrective measures to mitigate or curtail those within time bounds.

### Competitive Risk

The Company operates in the relatively fragmented industry with the presence of unorganised as well as strong organised players. The company witnesses heightened competitive intensity owing to the industry's lucrative growth prospects. Increasing competitive pressure may affect the Company's ability to maintain profitability and financial performance.

**Mitigating measures:** The Company has created a distinct competitive edge in the market by consistently launching innovation-led and differentiated products. Technological capabilities to deliver high-quality products coupled with an unwavering focus on improving cost-efficiencies enables the Company to maintain its competitive position in the market.

### Product Risk

The Company's financial performance may get materially impacted if the Company's products are rendered obsolete, undesirable or are not able to adapt with the evolving consumer preferences.

**Mitigating measures:** The Company is known for delivering specialised products having unique features that are based on extensive market research and led by strong R&D capabilities. It has pioneered many products in select categories and endeavours to innovate and refresh product offerings across the entire portfolio.

### Brand Reputation Risk

With a significant number of players operating in the industry, the brand reputation of the Company enables it to achieve desired volume sales and provide sufficient pricing power to maintain its profitability levels.

**Mitigating measures:** The Company continues to strengthen its brand equity by undertaking several initiatives that include dealer engagement while launching products and running campaigns to create deeper connect with dealers and consumers.

### Substitution Risk

The Company's financial performance and continued existence may be materially hampered if its products become obsolete due to the emergence of superior alternatives.

**Mitigating measures:** The Company strives to mitigate this risk by remaining at the forefronts of technology and new product developments. This enables it to adapt to changing business landscape and consumer preferences and capitalise emerging opportunities by providing technologically advanced and state-of-the-art products.

### Operational Risk

Any unfavourable external or internal events that interrupt the Company's smooth flow of business operations may impact the Company's top as well as the bottom line.

**Mitigating measures:** The Company has established a comprehensive and robust internal control system for all of its operational and financial functions. Regular reviews by the audit team ensure strict adherence to these controls, which enables the Company to achieve desired cost and operational efficiencies.

### Distribution Risk:

Unavailability of the right product at the right time at any of the Company's distribution points may negatively impact its revenue levels and financial results as well as its market reputation.

**Mitigating measures:** The Company has a pan-India presence through its wide distribution network with over 1,350 dealers, 300+ exclusive showrooms and over 6,700 touchpoints in India, today AGL products are exported to over 78 countries and has 13 display centres. It has dedicated sales and support team for both domestic as well as international markets to ensure timely and adequate availability of right products at these locations.

### Geographical Risk

Country and region-specific unfavourable events may inhibit the Company's ability to sell its product in the affected regions for a prolonged period of time.

**Mitigating measures:** The Company's revenue distribution in the domestic markets is well-diversified with East, West, North, and South contributing 11%, 31%, 28%, and 30% respectively. Additionally, with exports to ~78 countries, the Company has significantly reduced its geographical concentration.

## Financial Overview

### Profit and Loss Account Analysis

#### Consolidated Gross Revenues

The Company's revenue stood at ₹ 12,24.5 crores in FY 2019-20, as against ₹ 1,186.7 crores in FY 2018-19, implying a growth rate of 3%.

#### Consolidated EBITDA Profit

The Company registered the operating profit (EBITDA) of ₹ 117.7 crores in FY 2019-20, after recording ₹ 86.5 crores in FY 2018-19, increasing by 36%. EBITDA margins stood at 9.6% for the year as against 7.3% in the previous year.

#### Consolidated Finance Costs

Consolidated finance cost increased by 8% from ₹ 34.7 crores in FY 2018-19 to ₹ 37.4 crores in FY 2019-20.

#### Total Comprehensive Income

The Company delivered a consolidated net profit growth of 104% as it grew from ₹ 20.6 crores in FY 2018-19 to ₹ 41.99 crores in FY 2019-20.

### Balance Sheet Analysis

#### Consolidated Net Worth

As on 31st March 2020, the Company's consolidated net worth stood at ₹ 517 crores as compared to ₹ 451 crores as on 31st March 2019, registering a growth rate of 15%.

#### Consolidated Loan Profile

Excluding the current portion of long-term debt, the Company's total loan funds decline by 7.4% from ₹ 333.7 crores as on 31st March 2019 to ₹ 308.9 crores as on 31st March 2020.

## Internal Control System

The Company, keeping the cognisance of its size and nature of the business, has developed and deployed robust internal controls by instituting a comprehensive documentation system for all its operational and financial functions. Its well-documented policies and guidelines ensure proper maintenance of accounting records, reliable financial reporting, adequate and timely regulatory compliance and accurate monitoring of the Company's operations. Proper authorisation, recording and reporting of all transactions safeguard assets against its unauthorised use or disposition. The internal audit team conducts periodic reviews of the adequacy and adherence to the internal controls and discusses the observations with the management and the Audit Committee. The Company also conducts regular audits and monitoring of the internal controls by the internal audit team and undertakes suggested recommended measures to strengthen the system further.

Majority of the branches, being electronically integrated with the Head Office, enables the Company to ensure closely monitor its internal control system and ensure business compliance with appropriate rules and regulations.

## Quality Culture

The Company, over the years, has developed and nurtured deep customer relationships by consistently offering best-in-class, standard quality, and innovation-driven products. It further endeavours to enhance the loyalty of both institutional and retail customers by maintaining its market reputation, embracing the latest technology, and continuous product quality improvements. The Company's products, being compliant with the international standards, receive superior acceptance in domestic as well as international markets.

The Company's unwavering focus and investments in research and development (R&D) activities have yielded good results. The Company has been able to command premium pricing in the market, attract new customers due to its brand equity and product quality. Backed by the R&D team, the Company endeavours to maintain and grow its profitability, enhance competitive edge, and create sustainable shareholder value.

## People Management

The Company acknowledges a critical role, its talented and dedicated human resources play in achieving strategic goals, and sustainable growth. It has developed robust and employee-friendly HR policies that emphasise high productivity, employee satisfaction and motivation, and talent retention. The Company endeavours to build safe, conducive, and productive work environment and provides performance-based rewards and growth opportunities based on meritocracy. While strong organisation culture leads to higher employee belongingness, it empowers its employees that result in superior team-work and profitability and also assists greatly in talent attraction. As on 31st March 2020, total employee strength of the company stood at 1878.

The Company conducts periodic skills upgradation and personal development trainings and ensures its employees are updated with the latest knowledge and skillsets. This ensures the holistic development of its employees and directly influences productivity, morale and motivation throughout the organisation.

The Company, to create transparency and superior work-environment engagement, has adopted an open-door policy. This has enabled the Company in creating a work environment where employees can express their views with freedom and can achieve direct communication with the management.

## Cautionary Statement

Statements in the Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be forward-looking in nature. These statements are made within the meaning of applicable securities laws and regulations. Past performance of the Company is not necessarily indicative of its future results, and actual results could differ materially from those expressed and implied. Important factors that could make a difference to the Company's operations include among others, general market, macroeconomic, currency exchange and interest rates movements, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development, information or events.

# DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2020.

## FINANCIAL RESULTS

The Company's financial performance for the year ended on 31st March, 2020 is summarised below:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
| Revenue from Operation | 101,332.65 | 100,509.91 | 122,453.47 | 118,666.17 |
| Profit before Interest and Depreciation | 7,533.73 | 4710.43 | 12543.74 | 9,709.37 |
| Less: Interest | (2020.49) | (1,847.66) | 4000.75 | (3,688.11) |
| Profit Before Depreciation | 5513.24 | 2862.77 | 8785.22 | 6,021.26 |
| Less: Depreciation | (1807.39) | (1,658.66) | 3077.91 | (2,731.60) |
| Profit Before Tax | 3705.85 | 1204.11 | 5718.31 | 3,289.66 |
| Less: Provision for taxation | (749.68) | (473.47) | 1113.73 | (983.98) |
| Profit After Tax | 2956.17 | 730.64 | 4604.58 | 2,305.68 |
| Transfer from Comprehensive Income | (19.22) | (34.08) | (20.53) | (23.02) |
| Dividend Paid | (180.52) | (391.14) | (180.52) | (391.14) |
| Dividend distribution tax (net) | (37.11) | (80.40) | (37.11) | (80.40) |
| Balance carried forward | 2719.32 | 225.02 | 4366.42 | 1,811.12 |
| Balance brought forward from previous year | 26423.20 | 26,198.18 | 30158.48 | 28,561.42 |
| Balance carried to Balance Sheet | 29142.52 | 26,423.20 | 34668.89 | 30,158.48 |
| Earnings per Share | 9.83 | 2.43 | 14.02 | 6.94 |

## FINANCIAL HIGHLIGHTS & STATE OF AFFAIRS OF THE COMPANY

(₹ in Lakhs)

| Particulars | 2019-20 | 2018-19 | Increase/ Decrease |
|---|---|---|---|
| Net Sales | 1,00,607.61 | 1,00,060.42 | 547.19 |
| EBIDTA | 7533.73 | 4710.43 | 2823.30 |
| Profit before tax | 3705.85 | 1204.11 | 2501.74 |

## CONSOLIDATED OPERATING RESULTS

The consolidated sales and operating income increased to ₹ 122453.47 lakhs from ₹ 118666.17 lakhs in the previous year showing a growth of 3.19%. The consolidated EBT margin for the year was ₹ 5718.31 lakhs as against ₹ 3289.66 lakhs in previous year. The consolidated net profit during the year 2019-20 was ₹ 4604.58 lakhs compared to consolidated net profit amounting to ₹ 2305.68 lakhs in the previous year.

## THE STATE OF COMPANY'S AFFAIRS

The Company is engaged in the business of Tiles (Wall/Vitrified/ Ceramics), Marble, & Quartz and any other businesses as may be specified in the object clause of MOA of the Company. In addition to this, the Company has forays into Bathware division to make our Company the complete solution destination.

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

The details of operating performance of the Company for the year, the state of affairs and the key changes in the operating environment have been analysed in the Management Discussion and Analysis section which forms a part of the Annual Report.

## TRANSFER TO RESERVES

The Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

## SHARE CAPITAL

As on 31st March, 2020, the Authorised Share Capital of the Company consist of 3,62,50,000 Equity Shares of ₹ 10/- each and issued, subscribed and paid up Capital consist of

3,00,87,446 Equity Shares of ₹ 10/- each fully paid up. The Company has allotted 47,00,000 fully convertible warrants during the year.

## PREFERENTIAL SHARE WARRANTS

During the year under review After receiving in principal approval from the Stock Exchanges and from Shareholders, the Company has allotted 47,00,000 "Fully Convertible Warrants" at price of ₹ 180/- each (at a face value of ₹ 10/- each and Premium of ₹ 170/- Per Convertible Warrant), which will be converted into equity shares in one or more tranches for the below mentioned objectives:

i) To fund long term capital requirements for future growth of the Company;

ii) To meet working capital requirement and reducing debts; and

iii) To meet General Corporate Purpose.

The 25% of ₹ 180/- i.e. ₹ 45/- per convertible warrant (₹ 45/-* 4700000 convertible warrants) = ₹ 2,115 Lakhs have been received during the current financial year and remaining 75% balance amounting to ₹ 6,345 Lakhs will be received within 18 months from the date of allotment. Amount received had been utilised for the purpose mentioned above.

## DIVIDEND

The Board of Directors at its meeting held on 30th June, 2020 have recommended a payment of final dividend of ₹ 0.7/- (7%) per equity share of the face value of ₹ 10/- each for the Financial year ended 31st March, 2020, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting. The total dividend for the financial year 2019-20 will be ₹ 0.70/- per equity share of face value ₹ 10/- each.

## HUMAN RESOURCES

Adapting to change is quintessential to a growing organization's longevity. Over the time, Company has changed to adapt and evolve with the changing economic landscape, while keeping its core values firmly entrenched.

The Human Resource Department has strategic and functional responsibilities for all of the Human Resource disciplines in this changing scenario. There are four corresponding roles for Human Resource: (a) as a strategic partner working to align Human Resource and business strategy, (b) as an administrative expert working to improve organizational processes and deliver basic Human Resource services, (c) as an employee champion, listening and responding to employees' needs, and (d) as a change agent managing change processes to increase the effectiveness of the organization.

Within organization, Human Resource Department has active engagement with employee issues, listening to their concerns and building a professional and stable relation between employees and employers. Managing expectations, being flexible, communicating and adequate training are few of the most significant factors in keeping employees contented. Human Resource Department conducts performance appraisals, career development and up skilling, developing effective reward systems and designing jobs to fit both the needs of the business and employees.

On the Industrial front, the Company continued to foster cordial Industrial Relations with its work force during the year. The Company has a diverse work force of 1878 employees as on 31st March, 2020 vis-a-vis 2334 employees as on 31st March, 2019. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

## VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act,2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The Audit Committee reviews the functioning of the Whistle Blower mechanism on a quarterly basis. The same is uploaded on the website of the company https://www.aglasiangranito.com/investor-relation

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

The Company has in place 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) are covered under this policy. We have not received any sexual harassment complaints during the year 2019-20.

## RISK MANAGEMENT

The Company has formalized Risk Management system by formulating and adopting Risk Management Policy to identify, evaluate, monitor and minimize the identifiable business risk in the Organisation. Board has also formed Risk Management Committee which regularly monitors probable risk of the Company and reports to the Audit Committee. This is an ongoing process and the Audit Committee periodically reviews all the risk and suggests the necessary steps to mitigate the risk if any, which may threaten the existence of the Company. The Company is taking sufficient measures to mitigate various risks to the Company.

## ENVIRONMENT, HEALTH AND SAFETY

We believe that Environment, Health and Safety (EHS) are essential and paramount pillars for sustainable growth of our business.

We have developed policies and guidelines which take our EHS compliance beyond the regulatory requirements. The policies

also ensure consistent and continuous implementation of the EHS requirements throughout the Company.

A responsibility towards the environment is part of our mandate. We continuously endeavour to minimize adverse environmental impact and demonstrate our commitment to protect the environment.

During the year, all our manufacturing sites remained compliant with applicable EHS regulations.

## HOLDING, SUBSIDIARIES, ASSOCIATE, JOINT VENTURE COMPANIES AND THEIR PERFORMANCE

As of 31st March, 2020, the Company has five subsidiaries, out of which one is step down subsidiary, and one is associate company.

During the year under review, Company has made disinvestment with its JV Company AGL Panaria Private Limited on 21st May, 2019. Company had made disinvestment in Subsidiary Company Camrola Quartz Limited on 18th March, 2020. Company had incorporated one more Wholly-owned Subsidiary Company named AGL Global Trade Private Limited on 17th March, 2020.

A report on performance and financial position (Form AOC-1) of each of the subsidiaries as per the Companies Act, 2013 is provided as Annexure-A, which forms part of this Annual Report.

The annual accounts of the Subsidiary Companies will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours up to the date of the Annual General Meeting. The annual accounts of the Subsidiary Companies are also available on the website of the Company at https://www.aglasiangranito.com/investor-relation

## RELATED PARTY TRANSACTIONS

For all related party transactions, prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature and such approval is in the interest of the Company. The transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. All related parties transactions are disclosed in note 37 to the financial statements. In accordance with the related party transaction policy of the Company and pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of all contracts and/or arrangements entered between the Company and the related parties are annexed herewith in form AOC-2 as **Annexure-B**, which forms part of this Annual Report.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website i.e. https://www.aglasiangranito.com/investor-relation

## DEPOSITS

Your Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2020.

## PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

Details of Loans granted, Investments and Guarantees given and made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 5, 4 and 38 to the Financial Statements.

## 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, which is designed to provide reasonable assurance related to operation and financial control. The Management of the Company is responsible for ensuring that Internal Financial Control has been laid down in the Company and that controls are adequate and operating adequately.

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 adequate system of internal financial control in place with reference to financial statements. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## INSURANCE

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company also has appropriate liability insurance covers particularly for product

liability. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

## DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kanubhai B. Patel (holding DIN: 00386852) will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

There is no appointment or resignation of any of the Directors during the year under review.

All Independent Directors (IDs) have given declaration 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. The details terms of appointment of IDs are disclosed on the company's website with following link http://aglasiangranito.com/index.php/ investor-relation

## MEETINGS OF THE BOARD

During the year, Five Board Meetings and one Independent Directors' meeting was held, the details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were adhered to while considering the time gap between two meetings. Details of the number and dates of Board Meeting held during the year forms part of the Corporate Governance Report.

During the year, the Board of Directors of the Company has passed the Circular Resolution by majority on 18th May, 2019 for Disinvestment in AGL Panaria Private Limited and the Board took note of the same in the Board Meeting on 28th May, 2019, other circular resolution was passed in 09th September, 2019 for allotment of convertible warrants and the Board took note of the same in the Board Meeting on 12th November, 2019.

## COMMITTEES TO THE BOARD

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on 31st March, 2020:

i. Audit Committee
ii. Stakeholders Relationship Committee
iii. Nomination and Remuneration Committee
iv. Corporate Social Responsibility Committee
v. Administrative Committee

The details with respect to the aforesaid Committees forms part of the Corporate Governance Report.

## FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals to familiarize the Independent Directors with the strategy, operations and functioning of the Company. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The Independent Directors also met with senior management team of the Company in informal gatherings.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at https://www.aglasiangranito.com/investor-relation.

## BOARD PERFORMANCE EVALUATION

Pursuant to the provisions of companies Act, 2013 and SEBI Listing Regulations, the Board has carried out annual performance evaluation of its own performance, its Committees and the Directors including Chairman.

The evaluation manner has been carried out and has been explained in the Corporate Governance Report.

## KEY MANAGERIAL PERSONNEL

Mr. Kalidas J. Patel resigned with effect from 12th November, 2019 from the post of Chief Financial Officer and Mr. Amarendrakumar Gupta resumed office as Chief Financial Officer with effect from 15th November, 2019.

## CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of section 135 of the Companies Act, 2013, the company has laid down a CSR policy. The contributions in this regard have been also made to the Asian Institute of Technology, which is engaged in activities in various fields like provides technical education to students who are below poverty line or low income group, in Idar etc. The composition of the committee, contents of CSR policy and report on CSR activities carried out during the financial year ended 31st March, 2020 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure C** forming part of this Annual report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(3)(c) of the Act, 2013, in relation to financial statements of the Company for the year ended 31st March, 2020, the Board of Directors state that:

i) In the preparation of the annual accounts for the year ended on 31st March, 2020, the applicable accounting standards have been followed and that no material departures have been made from the same;

ii) Appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair

view of the state of affairs of the Company as on 31st March, 2020 and the profit and loss of the Company for the period 31st March, 2020;

iii) 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;

iv) The annual accounts have been prepared on a going concern basis;

v) The Company is following up the proper Internal financial controls and such internal financial controls are adequate and are operating effectively; and

vi) The Company has devised proper system to ensure the Compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

## NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Details of Remuneration under Section 197(12) of the Companies Act, 2013 and details required under Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are also stated in **Annexure-D** which forms part of this Annual report.

## AUDITORS

## STATUTORY AUDITORS

M/s. Manubhai Shah & LLP, Chartered Accountants, Ahmedabad (FRN: 106041W/W100136) has resigned as Statutory Auditors of the Company from 31st August, 2019 and M/s. R R S & Associates, Chartered Accountants (FRN: 118336W) were appointed by Board on 31st August, 2019 as Statutory Auditors of the Company, which has been approved by shareholders in 24th Annual General meeting held on 30th September, 2019.

M/s. R R S & Associates, Chartered Accountants have carried out the Statutory Audit of the Company for the FY 2019-20 and the Report of the Statutory Auditor forms part of the Annual Report.

## IMPACT OF COVID-19

In view of the unprecedented COVID-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. The Company's manufacturing facilities and factory office at Idar, Dalpur and Radhu, retail showroom all over India, outsourced manufacturing partners at Morbi and corporate office at Ahmedabad remained completely shut from March 24, 2020 to May 4, 2020 due to lockdown imposed by the Government. The Company partially reopened the same in phased manner in accordance with applicable guidelines issued by Ministry of Home Affairs Government of India and various State Governments where lockdown restrictions have been reduced to certain extent. In assessing the recoverability, the Company has considered internal and external information upto the date of approval of these Ind AS financial results and has concluded that there are no material impact on the operations and the financial position of the Company. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

## SECRETARIAL AUDITOR

M/s. Rajesh Parekh & Co., Practicing Company Secretaries have carried out the Secretarial Audit of the Company for FY 2019-20 and the Report of Secretarial Auditors in Form MR-3 is annexed with this Report as **Annexure-E**.

The observations of the Secretarial Auditor and the reply of the management is as under:

| Sr. No | Observations of Secretarial Auditor | Reply of the Management |
|---|---|---|
| 1. | One of the Designated Persons has not complied with the Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 | One of the inactive Promoter traded inadvertently during closed trading window. Company sought clarification from concerned promoter and after considering the gravity of default, the Company had imposed penalty of ₹ 10,000 which has been deposited to SEBI IPEF account. |
| 2. | Code of Conduct under Regulation 9 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 was violated by three Designated Persons by trading in shares of the Company when the trading window was closed. | Company sought clarification from concerned designated persons and after considering the gravity of default, the Company had imposed total penalty of ₹ 35,000/- which has been deposited to SEBI IPEF account. The Company has also received an undertaking from two designated persons assuring that they will take sufficient care that such transactions will not happen in future and will abide by Code of Conduct and SEBI (PIT) Regulations, 2015 |
| 3. | The Company has not put in place adequate and effective system for internal controls of prevention of Insider Trading as per Regulation 9A (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015. | The Company is trying to maintain digital database internally and regularly checking compliance of code of conduct and exploring various services available for adequate and effective system for internal control. |

## CORPORATE GOVERNANCE

During the year, pursuant to SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, the Company has complied with applicable provision of Corporate Governance and a separate report of Corporate Governance is included as a part of Annual Report along with requisite certificate from M/s. Rajesh Parekh & Co., Practicing Company Secretaries, confirming compliance with the conditions of corporate governance is attached to the Report on corporate governance.

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return required under Section 134 (3) (a) and 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 forms part of this Annual report as **Annexure-F**.

The Copy of Annual Return is placed on the website of the Company. The web-link of such Annual Return is https://www.aglasiangranito.com/investor-relation.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure-G** to this report.

## PARTICULARS OF EMPLOYEES

Your Company does not have any employee drawing remuneration exceeding ₹ 1.02 Crores per annual during FY 2019-20, pursuant to Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## MATERIAL CHANGES

There has been material changes and commitments affecting the financial position of the Company taken place as during the year. Company has divested its investments with its Italian JV AGL Panaria Private Limited on 21st May, 2019 and has also signed JV termination agreement with Camrola Quartz Limited on 18th March, 2020 resulting that now AGL Panaria Private Limited is not a JV Company of the Company and Camrola Quartz Limited has ceased to be a subsidiary Company of the Company. Company has formed one more Wholly-owned subsidiary Company named AGL Global Trade Private Limited on 17th March, 2020.

## NATURE OF BUSINESS

There has been no change in the nature of business of the Company other than the Company has started Bathware division.

## LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 532888 and on National Stock Exchange of India Limited (NSE) with scrip code of ASIANTILES. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2020-21 have been paid.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## ACKNOWLEDGEMENTS

Your Directors thanks all Customers, Investors, Vendors, Bankers, Auditors, Consultants and Advisors for their continued support during the year. We also place on record our appreciation of the contributions of employees at all levels. Your Directors thanks Governments of various countries where we have our operations especially Government of India and its various Ministries.

Your Directors looks forward for their continued support in the future for the consistent growth of the Company.

For and on behalf of the Board

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# ANNEXURE - A

## 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/associate companies/joint ventures**

### Part "A": Subsidiaries

(₹ In Lakhs)

| Particulars | Details | | | | |
|---|---|---|---|---|---|
| Name of the Subsidiary Company | AGL Industries Limited | Amazoone Ceramics Limited | *AGL Global Trade Private Limited | Crystal Ceramic Industries Private Limited | Powergrace Industries Limited (Fellow Subsidiary) |
| CIN | U24220GJ2013 PLC074983 | U26933GJ2003 PLC042959 | U51909GJ2020 PTC113190 | U26933GJ2008 PTC052576 | U24100GJ2013 PLC075582 |
| Reporting Period | 31-03-2020 | 31-03-2020 | 31-03-2020 | 31-03-2020 | 31-03-2020 |
| Share capital | 187.60 | 2163.21 | 1.00 | 4029.96 | 5 |
| Reserves & surplus | 96.097 | 1055.14 | - | 5202.65 | 328.81 |
| Total Assets | 617.00 | 6432.48 | - | 33727.84 | 743.07 |
| Total Liabilities (Excluding Share Capital & Reserves) | 333.30 | 3214.13 | - | 24495.23 | 409.25 |
| Investments | 5 | 101.42 | - | 467.77 | 0 |
| Turnover | 250.78 | 4643.83 | - | 18285.57 | 1648.18 |
| Profit before Taxation | 46.93 | 483.39 | - | 574.76 | 116.55 |
| Provision for Taxation | (13.84) | (160.14) | - | 80.41 | (27.43) |
| Profit after Taxation | 33.09 | 323.26 | - | 494.35 | 89.11 |
| Proposed Dividend | 0 | 0 | - | 0 | 0 |
| % of shareholding | 100 | 95.32 | - | 70 | 0 |

* AGL Global Trade Private Limited has been incorporated on 17th March, 2020, hence accounts has not been finalised.

### Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:**

(₹ in Lakhs)

| Name of Associates/Joint Ventures | Astron Paper & Board Mill Ltd |
|---|---|
| CIN | L21090GJ2010PLC063428 |
| Latest Audited Balance sheet date | For the year ended on 31st March,2020 |
| Latest audited Balance Sheet date | 31/03/2020 |
| Shares of Associate/Joint Ventures held by the company on the year end | 8,775,000 |
| Amount of Investment in Associates/Joint Venture | 877.5 |
| Extend of Holding % | 18.87% |
| Description of how there is significant influence | Due to Percentage (%) of Share Capital |
| Reason why the associate/joint venture is not consolidated | NA |
| Net worth attributable to shareholding as per latest audited Balance Sheet | 16571.93 |
| Profit/Loss for the year | |
| i. Considered in Consolidation | 253.23 |
| ii. Not Considered in Consolidation | 1088.76 |

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# ANNEXURE - B

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

| Sr. No. | Name (s) of the related party & nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements /transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |
|---|---|---|---|---|---|---|---|---|
| NIL | | | | | | | | |

### 2. Details of material contracts or arrangements or transactions at Arm's length basis:

(₹ in Lakhs)

| Sr. No | Name of Related Party & Nature of Relationship | Nature of Contract/ arrangement/ transaction | Duration of Contract/ arrangement/ transaction | Salient terms of Contract/ arrangement/ transaction, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|---|---|---|---|---|---|---|
| 1 | Amazoone Ceramics Limited | Purchase of Tiles | 01.04.2019 to 31.03.2024 | as per agreement | 28.05.2019 | - |
| 2. | Astron Paper & Board Mill Limited | Purchase of craft paper and packing materials | 01.04.2019 to 31.03.2024 | as per agreement | 28.05.2019 | - |

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# ANNEXURE - C

## ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company i.e. https://www.aglasiangranito.com/investor-relation

   On recommendation of CSR Committee, the Board of Directors approved the CSR spending by providing financial assistance to Asian Institute of Technology which is engaged in activities in various fields like providing technical education to students who are below poverty line or low income group, in Vadali. The Board of Directors has also approved distribution of Notebooks, Training programs for skill consultancy and food kit distributed to migrant labours.

2. The Composition of the CSR Committee:

| Name of the Committee | Designation | Category |
|---|---|---|
| Mr. Kamleshbhai B. Patel | Chairman | Promoter, Non – Independent and Executive Director |
| Mr. Mukeshbhai Patel | Member | Promoter, Non – Independent and Executive Director |
| Dr. Indira Nityanandam | Member | Independent and Non-Executive Director |

3. Average net profit of the company for last three financial years: ₹ 3343.30 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 66.87 Lakhs
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year: ₹ 66.87 Lakhs
   (b) Total amount spent during the financial year: ₹ 68.22 Lakhs
   (c) Amount unspent, if any: Nil
   (d) Manner in which the amount spent during the financial year is detailed below.

(₹ In Lakhs)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| **Sr. No.** | **CSR project or activity identified** | **Sector in which the project is covered** | **Projects or Programs (1) Local area or other (2) Specify the state and district where project or programs was undertaken** | **Amount outlay (budget) project or programs wise** | **Amount spent on the projects or programs subheads: (1) Direct Expenditure on projects or programs (2) Overheads** | **Cumulative expenditure up to the reporting period*** | **Amount spend direct or through implementing agency** |
| 1 | Asian Institute of Technology | Promoting Education | Asian Institute of Technology is under process of spending the amount on need basis in providing education to students who are below poverty line or low income group in Vadali, Sabarkantha | 68.22 | 59.14 | 504.37 | It is through Asian Institute of Technology |
| 2 | Promoting Education | Education | Gujarat | | 7.03 | 511.4 | Notebook distribution to poor students locally. |
| 3 | Skill training | Manufacturing | PAN India | | 0.7 | 512.1 | Through Labournet services India Pvt Ltd |
| 4 | Food kit distributed to migrant labours | General | Gujarat and other affected areas | | 1.35 | 513.45 | Food kit distribution in COVID 19 pandemic directly. |

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - **N.A.**
7. The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman of the CSR Committee
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

Place: Ahmedabad
Date: 19th August, 2020

# ANNEXURE - D

## STATEMENT OF DISCLOSURE OF REMUNERATION

UNDER SECTION 197 OF THE COMPANIES ACT 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the Financial Year 2019-20, the percentage increase in remuneration of Chairman & Managing Director, Managing Directors, Executive Directors, Company Secretary and CFO during the Financial Year 2019-20:

(₹ In Lakhs)

| Sr. No. | Name | Designation | Ratio of Remuneration of each director to median remuneration of employees (₹ In Lakhs) | Percentage (%) increase in Remuneration |
|---|---|---|---|---|
| 1 | Kamleshbhai B Patel | Chairman and Managing Director | 27.09 | 0 |
| 2 | Mukeshbhai J Patel | Managing Director | 22.02 | 0 |
| 3 | Sureshbhai J Patel | Director | 18.43 | 0.79 |
| 4 | Bhaveshbhai V Patel | Director | 13.14 | 0 |
| 5 | Kanubhai B Patel | Director | 14.49 | 0 |
| 6 | Bhogibhai B Patel | Director | 9.86 | 32.81 |
| 7 | Renuka A Upadhyay | DGM (Legal) & Company Secretary | 9.68 | 0 |
| 8 | Kalidasbhai J Patel | Chief Financial Officer (till 12.11.2019) | 6.07 | 0 |
| 9. | Amarendrakumar Gupta | Chief Financial Officer (w.e.f. 15.11.2019) | 9.46 | 0 |

**Note:**

a) The Non-Executive Directors of the Company are entitled for sitting fees. The detail of remuneration of Non-Executive Directors is provided in the Report on Corporate Governance and is governed by the Nomination and Remuneration Policy, as stated herein below. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not considered for the purpose above.

II.

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | % increase in the median remuneration of employees in the financial year 2019-20 | 10.76% |
| 2 | Total number of permanent employees on the rolls of the Company as on 31st March 2020 (on standalone basis) | 1878 |
| 3 | The median remuneration of employees of the Company during the year under review | ₹ 1.61 Lacs |
| 4 | 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 | The average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year is 49.90% as against average percentile increase of 86.07% in the remuneration of Managerial Personnel as defined under the Act.<br>The difference of average percentile increase in employees and Managerial was 8.5%.<br>Annual increase in remuneration is based on different grades, industry pattern, qualifications & experience, responsibilities shouldered and individual performance of managerial personnel and other employees.<br>There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company. |

III. The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# NOMINATION AND REMUNERATION POLICY

## 1. PREAMBLE

The Nomination and Remuneration Policy ("Policy") was originally formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder ('the Act') read with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI's Notification dated May 9, 2018 including amendments/modifications thereof (the 'Listing Regulations').

This Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This Policy applies to Directors, Senior Management including Key Managerial Personnel ('KMPs') of the Company.

## 2. OBJECTIVES

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

## 3. DEFINITIONS

**"Board"** means Board of Directors of the Company.

**"Company"** means "Asian Granito India Limited."

**"Employees' Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

**"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013 read with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Key Managerial Personnel" (KMP)** in relation to a Company means:

(i) Chief Executive Officer or the Managing Director or the Manager,

(ii) Company Secretary,

(iii) Whole-time Director,

(iv) Chief Financial Officer and

(v) Such other officer as may be prescribed.

**"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

**"Policy or This Policy"** means, "Nomination and Remuneration Policy."

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

## 4. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

## 5. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and senior officials just one level below the Board of the quality required to run the Company successfully and is in compliance with all applicable laws;

- The criteria of remuneration for performance is reasonable, justifiable and meets appropriate performance benchmarks: and

- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## 6. ROLES OF THE NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Nomination and Remuneration Committee has the **following principal terms of reference:**

1. To evaluate and recommend the composition of the Board of Directors and sub-committees thereof.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
4. To specify the manner for effective evaluation of Board, its Committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.
5. Devising a Policy on Board Diversity.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
7. To recommend a Policy to the Board relating to the remuneration for the Directors, KMP and other employees, for its approval.
8. The Committee shall, while formulating the policy, ensure the following:
   (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
   (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

   Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the CEO/MD/ WTD/Manager (including CEO/Manager, not part of the board) and shall specifically include CS and CFO.
9. To recommend to the Board remuneration proposed to be paid, to Executive Directors, Non-executive Directors (other than Independent Directors), Whole-time Key Managerial Personnel and Senior Management, with proper justification for such remuneration.
10. To seek information from management and have full access to the Company's records relevant to it's functioning in discharge of its obligations.
11. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.
12. To note information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
13. To formulate criteria for evaluation of performance of independent directors and the Board of Directors.
14. To recommend the Board, all remuneration, in whatever form, payable to senior management.
15. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions.

    On the recommendation of the Nomination and Remuneration Committee, the Board has, inter alia, approved the following evaluation criteria for the Independent Directors:
    - Participation in Board in terms of adequacy (time & content);
    - Contribution at meetings;
    - Guidance / support to Management outside Board / Committee meetings;
    - Fulfilment of functions;
    - Independent views and judgement.

## 7. MEMBERSHIP

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c) Minimum two (2) members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

## 8. CHAIRPERSON

a) Chairperson of the Committee shall be an Independent Director

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairperson of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 9. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required. However, the nomination and remuneration committee shall meet at least once in a year.

## 10. COMMITTEE MEMBERS' INTEREST

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 11. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 12. APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

**1. Managing Director/Whole-time Director/ Manager (Managerial Person):**

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**2. Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 13. PROVISIONS RELATING TO THE REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

   Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. **Provisions for excess remuneration:**

   If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:**

   The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. **Sitting Fees:**

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### 3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### 4. Stock Options:

An Independent Director may be entitled to any stock option of the Company.

## 14. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minutised and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be placed at the subsequent Board and Committee meeting.

## 15. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

## 16. EFFECTIVE DATE

This Policy shall be effective **w.e.f. 1st April, 2019.**

## 17. REVIEW / AMENDMENT

The Board of Directors of the Company, on recommendation of the Committee, may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act/other applicable laws shall be binding even if not incorporated in this Policy.

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This revised Policy has been approved by the Board of Directors of the Company at its meeting held on 06th March, 2019, on the recommendation of the Nomination and Remuneration Committee of the Company.

# Annexure - E

## FORM NO. MR-3
## Secretarial Audit Report

For the Financial Year ended on 31st March, 2020

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

To,

The Members,
**Asian Granito India Limited**
CIN: L17110GJ1995PLC027025
202, Dev Arc,
Opp. Iskon Temple,
Ahmedabad 380 015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASIAN GRANITO INDIA LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the **Company's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on **31st March, 2020** 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 further report that maintenance of proper and updated books, papers, Minutes Book, filing of forms and returns, with applicable statutory authority is responsibility of management of the company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon.

1. 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 2020, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under, to the extent applicable during our Audit Period;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not Applicable during the Reporting Period**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable during the Reporting Period**

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable during the Reporting Period** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **Not Applicable during the Reporting Period**

(vi) As confirmed and certified by the management, there is no law specifically applicable to the Company based on the Sectors / Businesses.

2. We have also examined compliances with applicable clauses of the following:

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India under provisions of The Companies Act, 2013 w.e.f.1st July, 2015 amended from time to time and

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

We further report, that compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Tax Auditor / Other designated professionals.

Based on the above said information provided by the company, we report that during the financial year under review, the company has generally complied with the applicable provisions of the above mentioned Acts including the applicable provisions of the Companies Act,2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:

(a) One of the Designated Persons has not complied with the Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(b) Code of Conduct under Regulation 9 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 was violated by three Designated Persons by trading in shares of the Company when the trading window was closed.

(c) The Company has not put in place adequate and effective system for internal controls of prevention of Insider Trading as per Regulation 9A (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

We further report that few compliance related e-forms was filed by the company with Ministry of Corporate Affairs (MCA) beyond the time limit prescribed under Companies Act, 2013 by paying additional fees.

**We further report that:**

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

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance. 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 based on the representation made by the company and its Officers. Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes.

(c) Based on general review of compliance mechanisms established by the Company and on basis of management representations, 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. As informed, the company has responded appropriately to notices received from any statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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 all the applicable laws, rules, regulations and guidelines, standards etc.

We further report that during the audit period the Company has not conducted any actions / events which could have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **RAJESH PAREKH & CO.**
Company Secretary

**Rajesh Parekh**
(Proprietor)
Mem. No.: 8073
C.P No. : 2939
UDIN: A008073B000595981

Date: 19th August, 2020
Place: Ahmedabad

# "Annexure Read with Secretarial Audit Report"

To,
The Members,
**ASIAN GRANITO INDIA LIMITED**
CIN: L17110GJ1995PLC027025
202, Dev Arc,
Opp. Iskon Temple,
Ahmedabad 380 015

Our report of even date provided in Form MR-3 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I follow provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Whereever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis, for the purpose of issuing Secretarial Audit Report.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. I have conducted my audit in the manner specified under Section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

For **RAJESH PAREKH & CO.**
Company Secretary

**Rajesh Parekh**
(Proprietor)
Mem. No.: 8073
C.P No. : 2939
UDIN: A008073B000595981

Date: 19th August, 2020
Place: Ahmedabad

# Annexure - F

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i. | CIN | **L17110GJ1995PLC027025** |
| ii. | Registration Date | 08.08.1995 |
| iii. | Name of the Company | Asian Granito India Limited |
| iv. | Category/Sub-Category of the Company | Public Company limited by Shares |
| v. | Address of the Registered office and contact details | 202, Dev Arc, Opp. Iscon Temple, S. G. Highway, Ahmedabad – 380015<br>Telephone No.-91 79 66125500/698<br>Email ID: info@aglasiangranito.com |
| vi. | Whether listed company | Yes(BSE,NSE) |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083<br>Phone: 022 4918 6000<br>Email ID: ahmedabad@linkintime.co.in |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1. | Tiles (Wall / Vitrified / Ceramics ) | 23912 | 79.07 |
| 2. | Marble & Quartz | 08101 | 19.01 |
| 3. | Others | | 1.91 |
| **Total** | | | **100** |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | AGL Industries Limited<br>202, Dev Arc, Opp. Iskon Temple, S.G. Highway, Ahmedabad – 380015, Gujarat | U24220GJ2013PLC074983 | Wholly owned subsidiary company | 100 | 2(87) |
| 2. | Amazoone Ceramics Limited.<br>Block No. 83 (old Block No.450),<br>At: Dalpur Taluka: Prantij,<br>District: Sabarkantha Prantij SabarKantha – 383120, Gujarat | U26933GJ2003PLC042959 | Subsidiary Company | 95.32 | 2(87) |
| 3. | Crystal Ceramic Industries Private Limited.<br>F.F. 101,102, Elanza Vertex, Nr. Zainobiya, Sindhu Bhavan Road, Bodakdev,Ahmedabad – 380059, Gujarat | U26933GJ2008PTC052576 | Subsidiary Company | 70.00 | 2(87) |
| 4. | Astron Paper and Board Mills Limited.<br>D-702, Seventh Floor Ganesh Meriden, Opp. High Court, S. G. Highway,Ahmedabad - 380060, Gujarat | U21090GJ2010PLC063428 | Associate Company | 18.87 | 2(6) |
| 5. | Powergrace Industries Limited.<br>Shop No. 305, 3rd Floor, Devarc, Opp. Iscon Temple ,S.G. Highway, Ahmedabad -380015 | U24100GJ2013PLC075582 | Step Down Subsidiary Company | 100 | 2(87) |
| 6. | AGL Global Trade Private Limited<br>202, Dev Arc, Opp. Iskon Temple, S.G. Highway ,Ahmedabad – 380015, Gujarat | U51909GJ2020PTC113190 | Wholly owned subsidiary company | 100 | 2(87) |

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

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter** | | | | | | | | | |
| **1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 99,64,055 | 0 | 99,64,055 | 33.12 | 1,01,46,474 | 0 | 1,01,46,474 | 33.72 | 0.6 |
| b) CentralGovt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total(A)(1):-** | **99,64,055** | **0** | **99,64,055** | **33.12** | **1,01,46,474** | **0** | **1,01,46,474** | **33.72** | **0.6** |
| **2) Foreign** | | | | | | | | | |
| g) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| k) Any Other…. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total(A)(2):-** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **total shareholding of Promoter (A) = (A)(1)+(A)(2** | **99,64,055** | **0** | **99,64,055** | **33.12** | **1,01,46,474** | **0** | **1,01,46,474** | **33.72** | **0.6** |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 18,06,984 | 0 | 18,06,984 | 6.01 | 19,07,202 | 0 | 19.07.202 | 6.34 | 0.33 |
| b) Banks / FI | 2,75,291 | 0 | 2,75,291 | 0.91 | 7,72,794 | 0 | 7,72,794 | 2.57 | 1.66 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| - Foreign Portfolio Investor | 34,142 | 0 | 34,142 | 0.11 | 8,790 | 0 | 8,790 | 0.03 | (-0.08) |
| - Alternate Investment Funds | 6,59,153 | 0 | 6,59,153 | 2.19 | 6,55,462 | 0 | 6,55,462 | 2.18 | (-0.01) |
| **Sub-total (B)(1)** | **27,75,570** | **0** | **27,75,570** | **9.22** | **33,44,248** | **0** | **33,44,248** | **11.12** | **1.9** |
| **2. Non Institutions** | | | | | | | | | |
| **a) Bodies Corp.** | | | | | | | | | |
| (i) Indian | 4,83,99,84 | 0 | 4,83,99,84 | 16.09 | 53,38,328 | 0 | 53,38,328 | 17.74 | 1.65 |
| (ii) Overseas | | | | | | | | | |
| **b) Individuals** | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 40,45,798 | 483 | 40,46,281 | 13.45 | 32,65,400 | 483 | 32,65,883 | 10.85 | (-2.6) |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 62,86,170 | 0 | 62,86,170 | 20.89 | 65,82,910 | 0 | 65,82,910 | 21.88 | 0.99 |
| c) Qualified foreign investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) NBFC registered with RBI | 7036 | 0 | 7036 | 0.02 | 0 | 0 | 0 | 0 | 0 |
| e) Others(Specify) | | | | | | | | | |
| Directors | 3,35,639 | 2 | 3,35,641 | 1.12 | 3,35,641 | 0 | 3,35,641 | 1.12 | 0 |
| Hindu undivided family | 9,40,244 | 0 | 9,40,244 | 3.12 | 9,05,627 | 0 | 9,05,627 | 3.01 | (0.11) |
| Trust | 15,000 | 0 | 15,000 | 0.05 | 15000 | 0 | 15000 | 0.05 | - |
| Custodian/Clearing member | 6,85,135 | 0 | 6,85,135 | 2.28 | 17,553 | 0 | 17,553 | 0.06 | (2.22) |
| NRIs (Repat) and (Non Repat) | 1,90,697 | 0 | 1,90,697 | 0.64 | 1,32,021 | 0 | 1,32,021 | 0.44 | (0.2) |
| IEPF | 1,633 | 0 | 1,633 | 0 | 3,761 | 0 | 3,761 | 0.01 | 0 |
| **Sub-total(B)(2)** | **1,73,47,336** | **485** | **1,73,47,821** | **57.66** | **1,65,96,241** | **483** | **1,65,96,724** | **55.16** | **(2.49)** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **2,01,22,906** | **485** | **2,01,23,391** | **66.88** | **1.99.40.489** | **483** | **1,99,40,972** | **66.28** | **(0.6)** |
| **C. Shares held by Custodian for GDRs & ADRs** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total (A+B+C)** | **3,00,86,961** | **485** | **3,00,87,446** | **100** | **3,00,86,963** | **483** | **3,00,87,446** | **100** | **0** |

## ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1. | Kamleshbhai Bhagubhai Patel | 35,64,555 | 11.85 | 0 | 37,23,741 | 12.38 | 0 | **0.53** |
| 2. | Mukeshbhai Jivabhai Patel | 21,60,011 | 7.18 | 0 | 22,99,174 | 7.64 | 0 | **0.46** |
| 3. | Sureshbhai Jivabhai Patel | 15,43,534 | 5.13 | 0 | 15,43,534 | 5.13 | 0 | - |
| 4. | Rameshbhai Bhikhabhai Patel | 3,31,615 | 1.10 | 0 | 3,31,615 | 1.10 | 0 | - |
| 5. | Hasmukhbhai D. Patel | 2,02,836 | 0.67 | 0 | 1,95,336 | 0.65 | 0 | **(0.02)** |
| 6. | Bhogibhai B. Patel | 4,20,640 | 1.40 | 0 | 4,20,640 | 1.40 | 0 | - |
| 7. | Hinaben Kamleshbhai Patel | 2,16,150 | 0.72 | 0 | 2,16,150 | 0.72 | 0 | - |
| 8. | Dipakbhai Danjibhai Patel | 20,000 | 0.07 | 0 | 20,000 | 0.07 | 0 | - |
| 9. | Kamleshbhai Bhagubhai Patel (HUF) | 2,11,400 | 0.70 | 0 | 2,11,400 | 0.70 | 0 | - |
| 10. | Jivabhai Jethabhai Patel (HUF) | 1,49,600 | 0.50 | 0 | 1,49,600 | 0.50 | 0 | - |
| 11. | Sureshbhai Jivabhai Patel (HUF) | 1,48,036 | 0.49 | 0 | 1,48,036 | 0.49 | 0 | - |
| 12. | Bhagubhai Punjabhai Patel | 1,33,700 | 0.44 | 0 | 1,33,700 | 0.44 | 0 | - |
| 13. | Bhagubhai Punjabhai Patel (HUF) | 1,27,700 | 0.42 | 0 | 1,27,700 | 0.42 | 0 | - |
| 14. | Bhikhabhai Kodarbhai Patel | 1,26,710 | 0.42 | 0 | 1,26,710 | 0.42 | 0 | - |
| 15. | Danjibhai Purshottambhai Patel | 33,726 | 0.11 | 0 | 33,726 | 0.11 | 0 | - |
| 16. | Bhanuben Mukeshbhai Patel | 1,21,600 | 0.40 | 0 | 1,21,600 | 0.40 | 0 | - |
| 17. | Chhayaben Sureshbhai Patel | 1,08,430 | 0.36 | 0 | 0 | 0 | 0 | (0.36) |
| 18. | Mukeshbhai Jivabhai Patel (HUF) | 98,710 | 0.33 | 0 | 98,710 | 0.33 | 0 | - |
| 19. | Hiraben Bhagubhai Patel | 72,760 | 0.24 | 0 | 72,760 | 0.24 | 0 | - |
| 20. | Dimpalben Bhogibhai Patel | 68,340 | 0.23 | 0 | 68,340 | 0.23 | 0 | - |
| 21. | Gitaben Rameshbhai Patel | 43,906 | 0.15 | 0 | 43,906 | 0.15 | 0 | - |
| 22. | Bhogibhai B. Patel (HUF) | 34,700 | 0.12 | 0 | 34,700 | 0.12 | 0 | - |
| 23. | Ushaben D. Patel | 8,731 | 0.03 | 0 | 8731 | 0.03 | 0 | - |
| 24. | Chandrikaben Danjibhai Patel | 5,365 | 0.02 | 0 | 5,365 | 0.02 | 0 | - |
| 25. | Dipakbhai D Patel (HUF) | 11,300 | 0.04 | 0 | 11,300 | 0.04 | 0 | - |
| | **Total** | **99,64,055** | **33.12** | **0** | **1,01,46,474** | **33.73** | **0** | **0.61** |

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

| Sr. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 99,64,055 | 33.12 | - | - |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | **As per notes below** | | | |
| | At the End of the year | | | 1,01,46,474 | 33.73 |

**Notes:**

| Sr. No. | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1. | Kamleshbhai Bhagubhai Patel | 01.04.2019 | Opening | 35,64,555 | 11.85 | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease | **NIL** | | | | | |
| | At the end of the year | 31.03.2020 | Closing | | | 37,23,741* | 12.37 |
| | *1,59,186 shares of Mr. Kamleshkumar B. Patel was lying with Monarch Networth Capital Limited as on 31.03.2019. The same now in the name of Mr. Kamleshkumar B. Patel | | | | | | |
| 2. | Mukeshbhai Jivabhai Patel | 01.04.2019 | Opening | 21,60,011 | 7.18 | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease | **NIL** | | | | | |
| | *60,975 shares of Mr. Mukeshbhai Jivabhai Patel were lying with Monarch Networth Capital Limited as on 31.03.2019. The same is now in the name of Mukeshbhai Jivabhai Patel. Out of remaining difference of 78,188 shares, 16,139 shares are acquired on 28.03.2019 on T+2 basis and 62,049 shares were acquired on 29.03.2019 on T+2 basis therefore the same was not added in the opening balance at the end of the last year. | | | | | | |
| | At the end of the year | 31.03.2020 | Closing | 22,99,174 | 7.64 | 22,99,174 | 7.64 |
| 3. | Hasmukhbhai D. Patel | 01.04.2019 | Opening | 2,02,836 | 0.67 | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease | 19.08.2019 | Disposal | (1,500) | | 2,01,336 | |
| | | 20.08.2019 | Disposal | (2,000) | | 1,99,336 | |
| | | 14.10.2019 | Disposal | (4,000) | | 1,95,336 | |
| | At the end of the year | 31.03.2020 | Closing | | | 1,95,336 | 0.65 |
| 4. | Chhayaben Sureshbhai Patel | 01.04.2019 | Opening | 1,08,430 | 0.36 | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease | | | | | | |
| | At the end of the year | 31.03.2020 | Closing | | | 0* | 0 |
| | 1,08,430 shares of Chhayaben Sureshbhai Patel has been pledged with Motilal Oswal Financial Service Limited in its collateral account against the ledger debit of account of Chhayaben Sureshbhai Patel in currency segment. | | | | | | |

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. No. | For each of the top 10 shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Donroy Ceramics LLP | 16,48,715 | 5.48 | 14,23,715 | 4.73 |
| 2. | IDFC Tax Advantage (ELSS) Fund | 7,80,000 | 2.59 | 9,40,000 | 3.12 |
| 3. | Salsett Vinimay Private Limited | 7,48,000 | 2.49 | 8,87,572 | 2.95 |
| 4. | Icici Bank Limited | 25,795 | 0.085 | 7,72,794 | 2.57 |
| 5. | Axis Bank Limited | 2,49,496 | 0.83 | 8,54,695 | 2.22 |
| 6. | Monarch Networth Finserve Private Limited | 7,60,000 | 2.52 | 5,91,828 | 1.97 |
| 7. | Jayantibhai Madhabhai Patel | 5,10,739 | 1.70 | 5,10,739 | 1.70 |
| 8. | Motilal Oswal Financial Services Ltd | 20,543 | 0.068 | 5,00,000 | 1.66 |
| 9. | Sundaram Alternative Opportunities Fund - Nano Cap Series I | 4,96,282 | 1.65 | 4,96.282 | 1.65 |
| 10. | Vinodbhai Lalabhai Patel | 4,05,889 | 1.35 | 4,05,889 | 1.35 |

**v. Shareholding of Directors and Key Managerial Personnel :**

| Sr. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Change during the year | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | No. of shares | % of total shares of the company |
| 1. | Kamleshkumar Bhagubhai Patel | 35,64,555 | 11.85 | 1,15,257 | 37,23,741 | 12.38 |
| 2. | Sureshbhai Jivabhai Patel | 15,43,534 | 5.13 | 0 | 15,43,534 | 5.13 |
| 3. | Bhogilal Bhikhabhai Patel | 4,20,640 | 1.40 | 0 | 4,20,640 | 1.40 |
| 4. | Kanubhai Bhikhabhai Patel | 1,53,299 | 0.51 | 0 | 1,53,299 | 0.51 |
| 5. | Mukeshbhai Jivabhai Patel | 21,60,011 | 7.18 | 1,39,163 | 22,99,174 | 6.83 |
| 6. | Amrutlal Ishwerlal Patel | 0 | 0 | 0 | 0 | 0 |
| 7. | Bhaveshkumar Vinodbhai Patel | 1,82,342 | 0.61 | 0 | 1,82,342 | 0.61 |
| 8. | Premjibhai Ramjibhai Chaudhari | 0 | 0 | 0 | 0 | 0 |
| 9. | Indira Nityanandam | 0 | 0 | 0 | 0 | 0 |
| 10. | Hemendrakumar Chamanlal Shah | 0 | 0 | 0 | 0 | 0 |
| 11. | Mukesh Mahendrabhai Shah | 0 | 0 | 0 | 0 | 0 |
| 12. | Dipti Atul Mehta | 0 | 0 | 500 | 500 | 0 |
| 13. | Renuka Anjanikumar Upadhyay | 0 | 0 | 0 | 0 | 0 |
| 14. | Amarendra Kumar Gupta | 0 | 0 | 0 | 0 | 0 |

**vi. Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 16,132.72 | 75.03 | - | 16,207.75 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not | - | - | - | - |
| **Total(i+ii+iii)** | **16,132.72** | **75.03** | **-** | **16,207.75** |
| **Change in Indebtedness during the financial year** | | | | |
| - Addition | 406.67 | - | - | 406.67 |
| - Reduction | - | (75.03) | - | (75.03) |
| **Net Change** | **406.67** | **(75.03)** | **-** | **331.64** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 16,490.03 | - | - | 16,490.03 |
| ii) Interest due but not paid | 49.36 | - | - | 49.36 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **16,539.39** | **-** | **-** | **16,539.39** |

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | Kamleshbhai B. Patel | Mukeshbhai J. Patel | Sureshbhai J. Patel | Bhogibhai B. Patel | Kanubhai B. Patel | Bhaveshbhai V. Patel | |
| 1. | Gross salary | | | | | | | |
| | (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 | 43,58,400 | 35,42,400 | 29,64,400 | 15,87,000 | 23,30,400 | 21,17,400 | 1,69,00,000 |
| | (b) Value of perquisites u/s 17(2)Income-tax Act,1961 | - | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section17(3)Income-taxAct,1961 | - | - | - | - | - | - | - |
| 2. | Stock Option | - | - | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - | - | - | - |
| 5. | Others, please specify | - | - | - | - | - | - | - |
| 6. | **Total (A)** | **43,58,400** | **35,42,400** | **29,64,400** | **15,87,000** | **23,30,400** | **21,17,400** | **1,69,00,000** |
| | Overall Ceiling as per the Companies Act, 2013 | 340.16 Lakhs (being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | | | |

### B. Remuneration to other directors:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | Mr. Amrutbhai Patel | Mr. Premjibhai Chaudhari | Dr. Indira Nityanandam | Mr. Hemendrakumar C. Shah | Mr. Mukesh Shah | Mrs. Dipti Mehta | |
| | Independent Directors | | | | | | | |
| | • Fee for attending board committee meetings | 30,000 | 1,00,000 | 30,000 | 1,75,000 | 75,000 | 1,00,000 | 5,10,000 |
| | • Commission | - | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - | - |
| | **Total(1)** | **30,000** | **1,00,000** | **30,000** | **1,75,000** | **75,000** | **1,00,000** | **5,10,000** |
| | Other Non-Executive Directors | | | | | | | |
| | • Fee for attending board committee meetings | - | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - | - |
| | **Total(2)** | | | | | | | |
| | **Total(B)=(1+2)** | **30,000** | **1,00,000** | **30,000** | **1,75,000** | **75,000** | **1,00,000** | **5,10,000** |
| | **Total Managerial Remuneration** | **1,69,00,000** | | | | | | |
| | Overall Ceiling as per the Companies Act, 2013 (11% of the Net Profit) | 374.18 Lakhs | | | | | | |

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | Company Secretary | CFO till 12.11.2019 | CFO from 15.11.2019 | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 | 15,58,000 | 9,04,000 | 15,22,000 | 39,84,000 |
| | (b) Value of perquisites u/s 17(2)Income-tax Act,1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>- others, specify… | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | **Total** | **15,58,000** | **9,04,000** | **15,22,000** | **39,84,000** |

## VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority[RD / NCLT/Court] | Appeal made. If any(give details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |
| **C .Other Officers In Default** | | | | | |
| Penalty | | | | | |
| Punishment | | | **NIL** | | |
| Compounding | | | | | |

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# Annexure - G

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy;

(ii) The steps taken by the company for utilizing alternate sources of energy and

(iii) The capital investment on energy conservation Equipments:

| Vitrified division | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Work Done | No of Pieces | KW | Run Freq | Timer | | One Time Investment In Rupees | Units/ Year Before Implements | Units/ Year After Implements | Annual Savings | | |
| | | | | | On Time In Min. | Off Time In Min. | | | | Electricity Units | Cost Saving In Rupees | Payback In Month |
| 1 | INSTALLATION VFD ON WASCOT PUMP IN G/L 3 | 1 | 1.5 | 20 | - | - | 13860 | 5952 | 1190 | 4762 | 39048 | 4.25 |
| 2 | INSTALLATION VFD ON GLAZE PUMP IN G/L 3 | 1 | 1.5 | 42 | - | - | 13860 | 10015 | 4652 | 5363 | 43976 | 3.78 |
| 3 | INSTALLATION VFD ON ENGOBE PUMP IN G/L 3 | 1 | 1.5 | 33 | - | - | 13860 | 8873 | 2014 | 6859 | 56243 | 2.95 |
| 4 | REPLES 400W HELOGEN WITH 150W LED LIGHT | 2 | 0.4 | - | - | - | 9255 | 8760 | 2380 | 6380 | 52316 | 2.12 |
| 5 | INSTALLATION VFD ON FEED PUMP IN ETP | 1 | 15 | 30 | - | - | 42000 | 22641 | 1827 | 20814 | 170674 | 2.95 |
| 6 | REPLES 150W HELOGEN WITH 50W LED LIGHT IN S/D | 1 | - | - | - | - | 2500 | 1296 | 432 | 864 | 7084 | 4.23 |
| 7 | REPLES 45W CFL WITH 12W LED LIGHT | 14 | - | - | - | - | 3500 | 5443 | 1451 | 3991 | 32726 | 1.28 |
| 8 | INSTALLATION VFD ON SLEEP HOUSE AGITATOR | 3 | 7.5 | 35 | - | - | 67725 | 115711 | 60912 | 54799 | 449351 | 1.8 |
| | **TOTAL** | | | | | | **166560** | **178691** | **74858** | **103832** | **851418** | |

| Ceramic (Floor) Division. Idar | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Work Done | No of Pieces | KW | Timer | | | One Time Investment In Rupees | Units/ Year Before Implements | Units/ Year After Implements | Annual Savings | | |
| | | | | Run Freq | On Time In Min. | Off Time In Min. | | | | Electricity Units | Cost Saving In Rupees | Payback In Month |
| 1 | GEB CONTRACT DEMAND REDUCED FROM 650KVA TO 500KVA FROM SEPTEMBER 2019 | - | - | - | | | 15000 | | | | 840000 | 4 DAYS |
| 2 | G.P. GLAZE TANK STIRRER MAKE DOUBLE SPEED WITH INVERTER | 6 | 2.2 | 27/15 | 20 | 20 | 0 | 25200 | 21240 | 3960 | 29700 | - |
| 3 | IN GLAZE LINE DEPTT. REMOVE 0.75 KW 2 NOS. MOTOR REMOVED , PORTABLE COMPRESSOR REMOVED, WATER SPRY PUMP INVTER DOUBLE SPEED, SCAPPER 4NOS. MOTOR TAKE ON INVERTER | 2 | 0.75 | 13/29<br>29/30 | - | - | 0 | 244800 | 236880 | 7920 | 59400 | = |
| 4 | IN SLIP HOUSE AGITATOR MAKE A DOUBLE SPEED , LOADING CONVEYOR TAKE ON INVETER, SLURRY PUMP REPLACED WITH ANOTHER ONE | 6<br>1 | 3.7<br>3.7 | 40/20<br>45 | 20 | 20 | 5000 | 90000 | 81360 | 8640 | 64800 | 1 |
| | **TOTAL** | **13** | | | **0** | **0** | | **360000** | **339480** | **20520** | **993900** | |

## B. TECHNOLOGY ABSORPTION:

### a) The efforts made towards technology absorption:

The Company is fully equipped and further updating with the latest technology for producing its quality products. Company's has continuous ongoing Research and Development Program which during the period under review introduced larger format and various designs of tiles. In addition to development of new products, the Research and Development Department also instituted a comprehensive quality control of all units to ensure that all the Company's products meet or exceed international standards. The company has replaced old version machines with Upgraded machines. The Company has replaced old dryer and kiln by new and upgraded technology dryer and kiln in our wall tiles unit keeping the same production capacity. The Company has equipped a-Energy saving single layer dryer, high efficient firing kiln and compensator for wall tiles unit.

### b) The benefits derived like product improvement, cost reduction, product development or import substitution:

#### (i) Pressing Line:

This Quartz line is installed to increase the production capacity. As the new line was with the upgraded technology hence the quality of the slabs also can be enhanced. With this latest technology the contamination problem in the slabs can also be minimized. With this new pressing capacity we can try to reduce the percentage of RESINE in the composition. The Company is fully equipped and further updating with the latest technology for producing its quality products. Company's has continuous ongoing Research and Development Program which during the period under review introduced larger format and various designs of tiles. In addition to development of new products, the Research and Development Department also instituted a comprehensive quality control of all units to ensure that all the Company's products meet or exceed international standards. The company has replaced old version machines with upgraded machines.

#### (ii) Diagonal Controller:

The Company has installed online size, diagonal, planarity checking machine. Apple make instrument from Italy is installed on the production line in the GVT plant to measure the dimensions of each and every tiles. Company is continuously updating itself to standardize and install required machinery when manufacturing. Improved quality also gives the Company a better image in the market therefore improving the marketability of its products. With this instrument the customer satisfaction level has increased.

#### (iii) Polishing Line:

This new line is installed to increase the production capacity and to improve the polishing quality. With this new line we can increase the gloss value of the quartz slabs. As it is upgraded technology the power consumption and the abrasive consumption is optimized.

The Company is continuously updating itself to standardize and install required machinery when manufacturing. Improved quality also gives the Company a better image in the market therefore improving the marketability of its products. The Company has installed Auto Recto planar machine to check the measurement of each and every tiles that we produced due to this Productivity has increase.

The Company has set up one centralized Ultramodern and well equipped laboratory with all needful instruments as per the requirement of BIS (IS 15622, ISO 13006, EN standards), to test the inprocess and final products.

Digital print heads & bars are upgraded and replaced as per the latest versions of DPI (Drops Per Inch) in our Vitrified unit.

The Company has updated with auto switching on & off of converters, blowers, moving plants, lighteners etc. and all conventional light are replaced with LED lights.

Heat recovery system is installed to use 100% waste heat from kilns and dryers. Installed VFD's in the manufacturing units.

**c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

i. the details of technology imported: The Company has imported below machineries/ technologies as mentioned in the table:

ii. the year of import: as mentioned herein below:

| Year of Import | Imported Technology |
|---|---|
| 2017-18 | Easy Color System Machine for Vitrified Tiles |
| 2017-18 | Crushing Machine Purchase for Vitrified Tiles |
| 2017-18 | Digital Printer for Vitrified Tiles |

| Year of Import | Imported Technology |
|---|---|
| 2018-19 | Pressing Line for Quartz Slab (Marble Division) |
| 2018-19 | Tiles Planner Diagonal controller (Vitrified Division) |
| 2018-19 | Polishing Line for Artificial Quartz Slab (Marble Division) |

| Year of Import | Imported Technology |
|---|---|
| 2019-20 | Energy saving single layer dryer (Wall tiles unit) |
| 2019-20 | High efficient firing kiln (Wall tiles unit) |
| 2019-20 | Compensator (Wall unit) |

iii. whether the technology been fully absorbed: Yes

iv. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof :N.A.

**d) The expenditure incurred on Research and Development: ₹ 35.09 Lakhs**

## C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Earning: Export in terms of actual inflows | 13,724.82 | 10,771.74 |
| Outgo: Imports in terms of actual outflows | 4,993.57 | 3,560.84 |

For and on behalf of the Board
**Asian Granito India Limited**

**Kamleshbhai B. Patel**
Chairman and Managing Director
DIN: 00229700

Place: Ahmedabad
Date: 19th August, 2020

# BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2019-20

## Section A: General Information about the Company

| | | |
|---|---|---|
| 1 | Corporate Identity number (CIN) of the Company: | L17110GJ1995PLC027025 |
| 2 | Name of the Company: | ASIAN GRANITO INDIA LIMITED |
| 3 | Registered address: | 202, Dev Arc, Opposite Iskon Temple, Ahmedabad 380059 Gujarat India |
| 4 | Website: | www.aglasiangranito.com |
| 5 | e-mail id: | info@aglasiangranito.com |
| 6 | Financial Year reported: | 2019-20 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise): | 23913 (Manufacturing Ceramic Products) |
| 8 | List three key products / services that the Company manufactures / provides (as in balance sheet): | The Company operates in only one segment i.e. Ceramic / Vitrified Tiles, Marble & Quartz |
| 9 | Total number of locations where business activity is undertaken by the Company: | Manufacturing Plants at Dalpur, Idar and Dholka |
| a | Number of International locations | No Mfg Plant at International locations |
| b | Number of National Locations | Showroom & display centres at PAN India Level |
| | Manufacturing units | Locations |
| i | Dalpur | Ceramic Zone, Katwad Road, At & Po Dalpur, Taluka Prantij, 383 120 Dist.: Sabarkantha |
| ii | Dholka | Plot No. 767, Nr. JTI, Kheda – Dholka Highway, Village: Radhu, Dist.: Kheda |
| iii | Idar | Behind Sardar Plant, Idar – 383 430, Dist.; Sabarkantha |
| 10 | Markets served by the Company Local / state / national / International: | The Company operates PAN India and also serves some of the international markets. |

## Section B: Financial details of the Company

| | | |
|---|---|---|
| 1 | Paid up Capital (INR): | ₹ 30.09 Crores |
| 2 | Total turnover (INR) (Consolidated ): | ₹ 1224.53 Crores |
| 3 | Total profit after taxes (INR) (Consolidated): | ₹ 46.05 Crores |
| 4 | Total spending on Corporate social responsibility (CSR) as percentage of profit after tax (%) (Consolidated): | 2.35% |
| 5 | List of activities in which expenditure in 4 above has been incurred: | Education: ₹ 1.07 Crores<br>Others: ₹ 0.01 Crore |

## Section C: Other Details

| | | |
|---|---|---|
| 1 | Does the Company have any subsidiary Companies? | As on 31st March, 2020 Company has four subsidiaries and one step-down subsidiary.<br>i. Amazoone Ceramics Limited<br>ii. AGL Industries Limited<br>iii. Crystal Ceramic Industries Private Limited<br>iv. AGL Global Trade Private Limited<br>v. Powergrace Industries Ltd as Stepdown Subsidiary Company |
| 2 | Do the subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies. | No Direct participation.<br>However, the Company encourages its subsidiaries to adopt its policies andpractices. |
| 3 | Do any other entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Br initiatives of the Company? If yes, then indicate the percentage of such entities? [Less than 30%, 30-60% more than 60%] | No |

## Section D: BR Information

**1. Details of Director responsible for Business Responsibility Report(BR)**

a) Details of the Director responsible for implementation of the BR policies:

1) DIN Number: 00229700
2) Name: Mr. Kamleshkumar Bhagubhai Patel
3) Designation: Chairman and Managing Director

b) Details of the BR Head:

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | DIN Number (if applicable) | 00229700 |
| 2 | Name | Mr. Kamleshkumar Bhagubhai Patel |
| 3 | Designation | Chairman and Managing Director |
| 4 | Telephone number | +91 79 6612 5500 |
| 5 | E-mail ID | info@aglasiangranito.com |

**2. Principal-wise(as per National Voluntary Guidelines)BR policy/policies**

**a. Details of Compliance (Replyin Y/N)**

SEBI has now mandated to include Business Responsibility Report on the following principles as stated in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs:

| | |
|---|---|
| Principle 1 (P1) | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. |
| Principle 2 (P2) | Businesses should provide goods and services that are safe and contributetosustainability through out their lifecycle. |
| Principle 3 (P3) | Businesses should promote the wellbeing of all employees. |
| Principle 4 (P4) | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| Principle 5 (P5) | Businesses should respect and promote human rights. |
| Principle 6 (P6) | Business should respect, protect and make efforts to restore the environment. |
| Principle 7 (P7) | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| Principle 8 (P8) | Businesses should support inclusive growth and equitable development. |
| Principle 9 (P9) | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

**2 a. Details of Compliances:**

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy / policies for.... | Yes, the Company has policy for all the principles. | | | | | | | | |
| 2 | Has the policy being form ulatedin consultation with the relevant stake holders? | All the policies have been formulated in consultation with the Management of the Company. | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify? | Yes, as stipulated by the applicable provisions of the regulations of the Securities and Exchange Board of India.<br>The Company has also adopted various standard specified by the International Organization for Standardization (ISO) as under:<br>1. IS 15622:2017<br>2. ISO 9001:2015<br>3. ISO 14001:2015<br>4. ISO 13006:2018<br>5. CE (EN 14411:2006)<br>6. SASO<br>7. SNI<br>8. CII ( Confederation of Indian Industry) membership<br>9. GRIHA council membership | | | | | | | | |

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director? | All the policies have been approved by the Board and have been signed by the Chairman & Managing Director of the Company. | | | | | | | | |
| 5 | Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? | The Company is in process of constituting Business Responsibility & Sustainability Committee ("BRS Committee") to oversee the implementation of the policy. At present the functions are overseen by internal committee of the Board. | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | Policies are available on the website of the Company | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been posted on the Company's website for information of all stakeholders. | | | | | | | | |
| 8 | Does the company have in-house structure to implement the policy / policies. | Yes, the Company has necessary structure in place to implement the policies. | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Yes, the Company has necessary grievance redressal mechanism, to address the grievance of the relevant stakeholder. | | | | | | | | |
| 10 | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | As a part of compliance with ISO Standards adopted by the Company, an external agency evaluates the implementation of ISO Standards. However, the Company has not carried out independent audit / evaluation of working of the BR Policy by an internal or external agency as of now. | | | | | | | | |

**b. If answer to sr. no. 1 against any principle, is 'no', please explain why: (tick up to 2 options) Not applicable**

**3. Governance related to BR**

**a. Indicate the frequency with which the Board of directors, Committees of the Board or CEO to assess the BRperformance of theCompany.Within 3 months,3-6 months,annually,more than 1year.**

The assessment is an ongoing activity and is an integral part of corporate functions

**b. Does the Company publish a BRor a sustainability report? What is the hyperlink for viewing this report? How frequently it ispublished?**

Company's Annual Report includes Business Responsibility Report.The copy of the same is available on the website of the Company www.aglasiangranito.com

## Section E: Principle – Wise performance

### Principle 1: Ethics, transparency & accountability

The Company has always believed that highest level of Corporate Governance practice sare pre-requisite for growing sustainable and successful business. The sound governance processes and systems guide the Company on its journey towards continued success. The Company has built its Corporate Governance practices on the three inviolable principles of TRANSPARENCY, INTEGRITY and ACCOUNTABILTY.

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / no. does it extend to the Group /Joint Ventures / suppliers /Contractors /nGos/others?**

The Company firmly believes and adheres to transparent, fair and ethical governance practices to foster professionalism, honesty, integrity and ethical behaviour.The Board of Directors has formulated the Code of Business Conduct ("the Code"), which is applicable to all the employees and Board Members of the Company, and which lays down the important corporate ethical practices that shape the Company's business practices and represents cherished values of the Company. The Code is an extension of our values and reflects our continued commitment to ethical business practices a cross our operations.The core values embedded in our functioning are Integrity, Passion for Excellence, Participative Decision Making, Concern for Society & Environment, Transparency and Fairness with care.

In the endeavor to create enduring value for all the stakeholders and to ensure highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted 'Whistle Blower Policy.' Through this Policy, the Company encourages its stakeholders to bring to the Company's attention any instances of unethical behaviour, actual or suspected incidents of fraud or violation of Company's Code of Business Conduct that could adversely impact Company's operation, business performance andreputation.

In order to protect in vestors' interest, the Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The Related Party Transactions Policy of the Company provides the process for the approval of various types of Related Party Transactions (RPTs) and general principles governing RPTs.This brings the necessary transparency in the RPTs and ensures that the transactions are fair and in compliance with the applicable laws andregulations.

The Policy on Materiality of Events or Information brings a consistency in the disclosure of various events or information in accordance with the thresholds determined disclosure to Stock Exchange.

**2. How many stakeholder complaints have been received in the past financial year and what percentagewas satisfactorily resolved by the management? If so, provide details thereof, in about 50 words orso.**

The Company encourages all its stakeholders to freely share their concerns and grievances. The Company has not received any complaints from any stakeholders during the year 2019-20.

**Principle 2: Products Life Cycle sustainability**

**1. List up to 3 of your products or services whose design has in corporated social or environmental concerns, risks and/ or opportunities.–**

The Company is engaged in manufacturing andselling of tiles, which constitutes almost 99% of itstotal turnover.

The Company being a leading tile manufacturer in theworld, has been innovating and launching productsmeeting multiple consumer needs, spanning acrossvarious income groups, from young to old andeveryone in - between. The Company understandsits obligations on social and environmental concerns,risks and opportunities.

The Company has deployed best in class technologyand process to manufacture tiles which use optimalresources. The Company has initiated proactivesteps to control, reduce and eliminate use of toxicand hazardous raw material during design andmanufacture of products, focuses to accord highestpriority in developing eco-friendly products whichmeet the best International standards. Further,the Company ensures that all processes, plant,equipment, machinery and material provided atfunctional site are safe to the people as well as environment.

In addition to the aforesaid, the Company has also taken various energy conservation initiatives like installation of roof solar plant, LED lights and wind energy.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previousyear?**

Company adopted energy efficient process like use of renewable sources of energy, using lower capacity motors, installation of LED lights, made automation in appliances to stop using energy when idle, using more efficient kilns and dryers to save energy and conserving resources in all possible ways to utilise the resources to the maximum capacity.

**3. Does the company have procedures in place for sustainable sourcing (includingtransportation)?**

It is important for your Company to manage the impacts of its product life cycle for the success of its operations. The life cycle of the product covers the entire value chain from sourcing of raw materials, to product manufacture, distribution, consumer use and disposal.

The resources involved in the manufacturing processes are efficient and sustainable and 100% of the inputs are sustainably sourced by the Company.

Further, the Company gives preference in selection of vendors for procurement of raw material, who comply with the various principles of sustainability. Majority of suppliers of raw material are located near to the manufacturing units of the Company which helps to minimize transportation.

Engagement of Transporters are done based on conditions like young vehicles, need for drivers to carry pollution certificates and drivers & support staff to always carry safety kits, etc. The Company continuously strives for load and route optimization to ensure fuel and environmental efficiency of the fleets.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place ofwork? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Local sourcing reduces costs, provides local employment benefits and reduced environmental footprint in sourcing.

   The Company encourages the sourcing its raw material/stores and other consumables from local economy and small vendors, as far as possible. The Company's contractor who supplies labour services for plant operations employ workmen from nearby communities.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separatelyas<5%,5-10%,>10%). Also, provide details there of, in about 50 words or so.**

   The production process of the Company is based on principles of optimising the material and energy resources. Therefore, the Company lays high degree of stress to reduce waste associated with its products.

**Principle 3: Employees Well-Being**

At Asian, we firmly believe in a people first approach. The Organisation takes pride in its human capital, which comprises of people from diverse backgrounds and cultures. Guided by the core values which are deeply imbibed in each of the employees; the organisation's achievements are an outcome of efforts, dedication and conviction demonstrated by its people.

Various women friendly facilities like maternity leave has supported the women employees in carrying on with their career along with other responsibilities.

Asian's culture promotes an environment that is transparent, fulfilling and purposeful for its employees.

1. **Please indicate the total number ofemployees.**

   The total number of employees is 1878 as on 31st March, 2020.

2. **Please indicate the total number of employees hired on temporary / contractual / casualbasis.**

   The total number of employees hired on temporary / contractual / casual basis is 415 as on 31st March, 2020.

3. **Please indicate the number of permanent women employees.**

   The total number of permanent women employees is 48 as on 31st March, 2020.

4. **Please indicate the number of permanent employees withdisabilities**

   The total number of permanent employees with disabilities is 11 as on 31st March, 2020.

5. **Do you have an employee association that is recognized bymanagement?**

   No

6. **What percentage of your permanent employees is members of this recognized employeeassociation?**

   NA.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financialyear.**

   The Company does not employ any child labour or forced / involuntary labour. Company has not received any complaints of sexual harassment in the last financial year.

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

   We continue to devote resources and efforts in encouraging people to upgrade their skills in general and safe working practices in particular. The details of such trainings are as follows:

| Sr. No. | Particulars | Percentage |
|---|---|---|
| a | Permanent Employees | 84% |
| b | Permanent Women Employees | 74% |
| c | Casual / Temporary / Contractual Employees | 76% |
| d | Employees with Disabilities | 56% |

**Principle 4: Stakeholder engagement**

At Asian, we believe that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Company has always partnered with its stakeholders and believed in sharing the fruits of socio-economic progress.

Transparency, one of the core values of the Company, lead to more informed decision making and helps in creating, enduring trust among all stakeholders.

1. **Has the company mapped its internal and external stakeholders?**

   Yes,

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalizedstakeholders?**

   There are no identified disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special in itiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Not Applicable.

**Principle 5: Human Rights**

Asian believes in the conduct of its business affairs in a fair and transparent manner, and adheres to the highest standards of ethical behavior and integrate practices that support environment, humanrights and labour laws.

The Company's policy also aims to provide adequate safeguards for protection of Women against Sexual Harassment at Workplace and the Whistle Blower Policy are developed and aligned to these principles.

Asian is committed to providing an environment, wherein all employees are treated equally, without fear of discrimination, retaliation or harassment irrespective of their caste, creed, religion and gender.

1. **Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / suppliers / Contractors / NGOs /others?**

   The Company is committed to and are compliant with all statutory laws and regulations, and have put in place a redressal mechanism for violations / misconducts, but it is applicable only to the Company.

2. **How many stake holder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaints on breach of human rights were received during the year.

**Principle 6: Environment**

At Asian, we believe that Environment, Health & Safety are crucial and paramount pillars for sustainable growth of our business.

1. **Does the policy related to principle 6 cover only the company or extends to the Group / Joint Ventures / suppliers / Contractors / NGOs / others.**

   The policy is applicable to the Company and its subsidiaries.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, globalwarming,etc.? Y / N.If yes,please give hyperlinkfor webpage etc.**

   In order to address the global environmental issues like climate change, global warming, the Company has embedded many facets related to respecting and protecting environment in its operations and processes.

3. **Does the company identify and assess potential environmental risks? Y /N**

   Yes, the Company has the risk management mechanism in place to identify and assess the existing and potential risks across its operations.

4. **Does the Company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so.Also,ifyes,whether any environmental compliance report is filed?**

   The Company does not have any specific project related to clean development mechanism. Further, all the plants of the Company are based on the principle of minimal environment footprint.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web pageetc.**

   The Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy like installation of roof top solar plant in the factory and wind turbine to generate green energy.

   Further, it has also installed heat recovery systems and latest generation energy lighting and equipment, to save energy and fuel cost.

   1. **Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year beingreported?**

      Yes, emission / waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year 2019-20.

   2. **Number of showcause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of FinancialYear.**

      The Company has not received any such notices from CPCB / SPCB during the financial year 2019-20.

**Principle 7: Policy Advocacy**

As a responsible organization, Asian shares its views through the relevant Industries Associations on the policies related to its business for the benefit of its various stakeholders.

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

   Yes, Company is member of Gujarat Chamber of Commerce and Industry (GCCI)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / no; if yes specify the broad areas (drop box: Governance and administration, economic reforms, Inclusive development policies, energy security, Water, food security, sustainable Business principles,others).**

   The Company has represented through above associations from timeto time for various economic and corporate governance issues in theinterest of the Industry in general and Ceramic Industry in particular.

**Principle 8: Equitable Development**

1. **Does the company have specified programmes / initiatives / projects in pursuit of the policy related to principle 8? If yes detailsthereof.**

   Yes, the Company has identified specified programmes / projects in the pursuit of the policy related to Principle 8. For details of projects undertaken during the year 2019-20, please refer the 'Annual Report on CSR Activities' attached as Annexure C to Directors Report.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any otherorganization?**

   The Company undertakes various CSR projects either directly or throughCSR Committee of the Company /registered trust and/or by makingcontribution to the Fund(s) created by the Government from time totime and NGOs undertaking CSR activities.

3. **Have you done any impact assessment of yourinitiative?**

   Yes, the Company undertakes timely impact assessments of project sunder implementation for ensuring their desired impact and continued sustenance.

4. **What is your company's direct contribution to community development projects- amount in INR and the details of the projectsundertaken?**

   The details of the amountincurred on areas covered are given in Annexure to the report onCorporate Social Responsibility forming part of this Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted bythe community? Please explain in 50 words, orso.**

   The Company undertakes need assessment surveys in villages and community before undertaking CSR initiatives.

Community needs are understood and evaluated and their views are taken before project plans are finalized and executed. Community members are continuously consulted with during implementation of initiatives. Further, the Company, ensures that community members participate in the initiatives being undertaken / implemented and that they take responsibility for maintenance and sustenance of projects in future.

**Principle 9: CustomerValue**

Business should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases are pending as on the end of financialyear?**

   The Company has an effective system for addressing customercomplaints. The customer complaints filed against the Company fordefects in the products of the Company are not significant in numbercompared with annual sales volume.

2. **Does the company display product information on the product label, over and above what is mandated as perlocal laws? Yes / No/ NA / remarks (additionalinformation).**

   The Company displays all information as mandated by the regulations toensure full compliance with relevant laws.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words orso.**

   No, there is no such case.

4. **Did your Company carry out any consumer survey / consumer satisfactiontrends?**

   Yes, at times Company carry our Consumer survey through engagement of sales person at grassrout level.

# REPORT ON CORPORATE GOVERNANCE

## 1. AGL Philosophy on Code of Governance:

The Company believes in the practice of good Corporate Governance and acting as a good corporate citizen. The spirit of Corporate Governance has been prevailing in the Company. The Company believes in the values of transparency, professionalism and accountability. The Company recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders and with every individual, who comes in contact with the Company. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation.

At Asian Granito India Limited, we have institutionalised the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. AGL not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations, but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavour to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals and objectives.

## 2. Board of Directors:

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Section 149 of the Companies Act, 2013 (Act).

The Company firmly believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value creation.

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

The Company is managed by the Board of Directors in coordination with the Senior Management team. As on 31st March 2020, the Company has twelve (12) Directors on its Board out of which six (6) are Executive Directors and six (6) are Independent Directors including two Woman Directors. The Board periodically evaluates the need for change in its composition and size.

**Composition/ Category of Directors/ Attendance at Meetings/Directorships and Committee Memberships in other Companies as on 31st March, 2020:**

| Sr. No. | Name of Director & Designation | Category | Inter-se Relationships between Directors | Attendance of Meetings during 2019-20 | | Last Annual General Meeting Attended | Other Directorships/Board Committees (Numbers) | | | Name of the Listed entity where the person is a director and category of Directorship |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Board Meeting held during his/her tenure | Board Meeting attended during his/her tenure | | *Directorships in Other Companies including this listed entity | ** Committee Membership including this listed entity | ** Committee Chairmanship including this listed entity | |
| 1. | Mr. Kamleshbhai B. Patel, Chairman & Managing Director | Promoter, Non – Independent | | 5 | 5 | Yes | 1 | 2 | 0 | - |
| 2. | Mr. Mukeshbhai J. Patel, Managing Director | Promoter, Non-Independent | Brother of Sureshbhai Patel | 5 | 5 | Yes | 1 | 0 | 0 | - |
| 3. | Mr. Sureshbhai J. Patel, Director | Non-Independent and Executive | Brother of Mukeshbhai Patel | 5 | 5 | Yes | 1 | 0 | 0 | - |
| 4. | Mr. Bhaveshbhai V. Patel, Director | Non-Independent and Executive | - | 5 | 5 | No | 1 | 0 | 0 | - |

| Sr. No. | Name of Director & Designation | Category | Inter-se Relationships between Directors | Attendance of Meetings during 2019-20 | | Last Annual General Meeting Attended | Other Directorships/Board Committees (Numbers) | | | Name of the Listed entity where the person is a director and category of Directorship |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Board Meeting held during his/her tenure | Board Meeting attended during his/her tenure | | *Directorships in Other Companies including this listed entity | ** Committee Membership including this listed entity | ** Committee Chairmanship including this listed entity | |
| 5. | Mr. Kanubhai B. Patel, Director | Non-Independent and Executive | - | 5 | 5 | No | 2 | 0 | 0 | (1) Astron Paper & Board Mill Limited – Executive Director |
| 6. | Mr. Bhogibhai B. Patel, Director | Non-Independent and Executive | - | 5 | 5 | No | 1 | 0 | 0 | - |
| 7. | Mr. Hemendrakumar C. Shah, Director | Independent and Non-Executive | - | 5 | 5 | Yes | 3 | 4 | 3 | (1) Deep Industries Limited - Non-Executive Independent Director (2) Denis Chem Lab Limited - Executive Director-MD |
| 8. | Mr. Amrutbhai Patel, Director | Independent and Non-Executive | - | 5 | 3 | Yes | 1 | 1 | 0 | - |
| 9. | Dr. Indira Nityanandam, Director | Independent and Non-Executive | - | 5 | 3 | No*** | 1 | 1 | 1 | - |
| 10. | Mr. P. R. Chaudhari, Director | Independent and Non-Executive | - | 5 | 5 | No | 1 | 1 | 0 | - |
| 11. | Mr. Mukesh M. Shah, Director | Independent and Non-Executive | - | 5 | 3 | Yes | 2 | 2 | 1 | (1) Adani Power Limited – Non-Executive Independent Director |
| 12. | Mrs. Dipti Mehta, Director | Independent and Non-Executive | - | 5 | 4 | No | 1 | 0 | 0 | - |

* Excluded the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 as per Regulation 26 of the Listing Regulations.

** Included only the Membership / Chairmanship in Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies as per Regulation 26 of the SEBI (LODR) Regulations 2015.

*** Dr. Indira Nityanandam, Chairman of Stakeholder Relationship Committee has authorised Mr. Amrutbhai Patel (Independent and Non-Executive Director and Member of Stakeholder Relationship Committee) to remain present on behalf of her, as an Authorised representative.

As mandated by the SEBI (LODR) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), none of the directors of the Company are members of more than ten Board level committees nor are the Chairperson of more than five Board level committees in other companies in which they are directors.

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 to the Board and Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

**- Board Meetings:**

The Board meets at least once in every quarter 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.

During the financial year 2019-20, Five (5) Board Meetings were held, at least one in every calendar quarter and the gap between two consecutive Board Meetings did not exceed one hundred and twenty (120) days. The dates on which the Board Meetings were held, are as follows:

28th May, 2019; 6th August, 2019; 31st August, 2019; 12th November, 2019 and13th February, 2020.

**- Board Support**

The Company Secretary attends the Board / Committee meetings and advises on compliances with applicable laws and governance.

**- Number of shares held by Non-Executive Directors (Independent Directors) as on 31st March, 2020:**

None of the Independent Directors hold any shares of the Company except Mrs. Dipti Mehta holding 500 Equity Shares.

**- Familiarisation Programme:**

The Company and business familiarisation process for Independent Directors was an ongoing process during the Financial Year and largely carried out by way of special discussions and presentations at Board / Committee meetings on important matters such as key regulatory changes, material legal matters, changing industry trends, periodic operations review, annual budget review (including CAPEX plan), strategy discussions and exceptional developments, if any, in the Company. The details of such familiarization program have been disclosed on the Company's website at https://aglasiangranito.com/policies/Familiarisation-Programme-Policy-2020.pdf.

**- Core Skills / Expertise /Competencies Available with the Board**

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Global Business
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

**- Meeting of Independent Directors:**

During the year under review, the separate meeting of Independent Directors was held on 13th February, 2020 inter alia, to discuss:

I. To review performance of Chairperson and non-independent Directors of the company.

II. To review performance of the entire Board of Directors of the Company.

III. To assess the quality, quantity and timeliness of flow of information.

IV. To ensure adequate deliberations on related party transaction.

V. To ensure that the company has adequate and functional vigil mechanism.

The Company has defined roles, responsibilities and duties of Independent Directors which are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. The Company has issued letters of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. https://aglasiangranito.com/AGMReference/Draft%20letter%20of%20Appointment.pdf.

## BOARD COMMITTEES:

The Committees of the Board play an important role in the governance and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held / decisions taken at the Committee Meeting.

The Board has constituted the following mandatory and non-mandatory Committees:-

## 3. Audit Committee:

The Company has complied with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

**Terms of reference of Audit Committee:**

The powers, role and terms of reference of the Audit Committee covers the areas as mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. These, inter alia, include oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of

the internal audit function, reviewing with management the quarterly/ annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

## 1. FINANCIAL INFORMATION REVIEW:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. To examine the financial statement and the auditors' report thereon.

iii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

A. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;

B. Changes, if any, in accounting policies and practices and reasons for the same;

C. Major accounting entries involving estimates based on the exercise of judgment by management;

D. Significant adjustments made in the financial statements arising out of audit findings;

E. Compliance with listing and other legal requirements relating to financial statements;

F. Disclosure of any related party transactions; and

G. Modified opinion(s) in the draft audit report.

iv. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

v. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.

vi. To review the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

vii. To review the following details mandatorily:

A. Management discussion and analysis of financial condition and results of operations;

B. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

C. Management letters / letters of internal control weaknesses issued by the Statutory Auditors if any;

D. Internal audit reports relating to internal control weaknesses.

E. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

F. Statement of deviations:

a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

b. Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of Listing Regulations.

viii. To review the financial statements of unlisted subsidiary companies, and in particular, the investments made by them.

## 2. INTERNAL CONTROLS AND POLICIES FOR MAINTAINING VIGIL

i. Scrutiny of inter-corporate loans and investments.

ii. Valuation of undertaking's or assets of the company, wherever it is necessary.

iii. Evaluation of Internal Financial Controls and Risk Management systems.

iv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

v. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

vi. To review the functioning of the Whistle Blower (Vigil) mechanism.

vii. To approve the appointment of Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

viii. Investigate any activity within its terms of reference and any matters referred to it by the Board.

ix. To review the frauds reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors, if any.

x. Monitoring the end use of funds raised through public offers and related matters.

xi. Reviewing with the Auditors and Management, if required, about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and any related issues there with.

## 3. RELATIONSHIP WITH STATUTORY, INTERNAL & COST AUDITORS

i. Recommend to the Board for appointment, remuneration and terms of appointment of Auditors of the Company.

ii. Approval of payments to Statutory Auditors for any other services rendered by them.

iii. Review and monitor the auditor's independence and performance and effectiveness of audit process.

iv. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

v. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

vi. Discussion with Internal Auditors of any significant findings and follow up there on.

vii. Reviewing, with the management, performance of Statutory and Internal Auditors of the internal control systems.

## 4. RISK MANAGEMENT

i. Review procedures for risk assessment and minimization for informing the same to the Board.

ii. Framing and recommending to the Board the Risk Management Policy and Plan.

iii. Monitoring and reviewing the risk management plan including inter-alia cyber security.

## 5. RELATED PARTY TRANSACTIONS

i. Approval or any subsequent modification of transactions of the Company with related parties.

ii. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions.

iii. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

**- Other Functions:**

(i) Perform other activities related to this Charter as requested by the Board of Directors.

(ii) Carry out additional functions as is contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.

(iii) Institute and oversee special investigations as needed.

(iv) Monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee held five Meetings during the financial year 2019-20 i.e.28th May, 2019; 5th August, 2019; 31st August, 2019; 11th November, 2019 and 13th February, 2020.

Composition of Audit Committee and attendance of each member during the meetings held in financial year 2019-20 are given below:

| Name of the Committee Members | Designation | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Hemendrakumar C. Shah | Chairman | Independent and Non-Executive Director | 5 |
| Mr. Kamleshbhai Patel | Member | Promoter, and Executive Director | 5 |
| Mr. P.R Chaudhari | Member | Independent and Non-Executive Director | 5 |

Mrs. Renuka A. Upadhyay, Company Secretary and Compliance officer acts as Secretary to this Committee.

The Chairman of the Committee has attended the last Annual General Meeting of the Company held on 30th September, 2019.

## 4. Nomination and Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of

director, recommending to the Board a policy relating to remuneration of directors, key managerial personnel and other employees, formulation of criteria for evaluation of directors performance, devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal.

Terms of reference of Nomination and Remuneration Committee:

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (Listing Regulations, 2015), as and when applicable and Section 178 of the Companies Act, 2013, that interalia includes:

The role of the Nomination and Remuneration Committee is to recommend to the Board, the remuneration package for the Managing/ Executive Directors and senior officials just one level below the Board. The committee functions as follows:

1. To evaluate and recommend the composition of the Board of Directors and sub-committees thereof.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
4. To specify the manner for effective evaluation of Board, its Committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.
5. Devising a Policy on Board Diversity.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
7. To recommend a Policy to the Board relating to the remuneration for the Directors, KMP and other employees, for its approval.
8. The Committee shall, while formulating the policy, ensure the following:

    a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

    b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

    c. Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

    Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the CEO/MD/ WTD/Manager (including CEO/Manager, not part of the board) and shall specifically include CS and CFO.

9. To recommend to the Board remuneration proposed to be paid, to Executive Directors, Non-executive Directors (other than Independent Directors), Whole-time Key Managerial Personnel and Senior Management, with proper justification for such remuneration.
10. To seek information from management and have full access to the Company's records relevant to it's functioning in discharge of its obligations.
11. To make recommendations to the Board on any matter within its purview, by passing appropriate resolutions.
12. To note information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
13. To formulate criteria for evaluation of performance of independent directors and the Board of Directors.
14. To recommend the Board, all remuneration, in whatever form, payable to senior management.
15. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions.

    On the recommendation of the Nomination and Remuneration Committee, the Board has, inter alia, approved the following evaluation criteria for the Independent Directors:

    - Participation in Board in terms of adequacy (time & content);
    - Contribution at meetings;
    - Guidance / support to Management outside Board / Committee meetings;
    - Fulfilment of functions;
    - Independent views and judgment.

The Committee held four Meetings during the financial year 2019-20 i.e. 28th May, 2019; 6th August, 2019; 12th November, 2019 and 13th February, 2020.

Composition of Nomination and Remuneration Committee and attendance of each Director during the meetings held in financial year 2019-20 are given below:

| Name of the Committee Member | Designation | Category | No of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Mukeshbhai M. Shah (Chairman) | Chairman | Independent and Non-Executive Director | 3 |
| Mr. Amrutbhai Patel | Member | Independent and Non-Executive Director | 3 |
| Mr. Hemendrakumar C. Shah | Member | Independent and Non-Executive Director | 4 |

- Performance Evaluation Criteria for Independent Directors and the Board:

The Independent Directors and the Board are evaluated on the basis of the following criteria's i.e. whether they:

a) Act objectively and constructively while exercising their duties;

b) Exercise their responsibilities in a bonafide manner in the interest of the Company;

c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;

d) Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

e) Refrain from any action that would lead to loss of his independence;

f) Inform the Board immediately when they lose their independence;

g) Assist the Company in implementing the best corporate governance practices;

h) Strive to attend all meetings of the Board of Directors;

i) Strive to attend and participate constructively and actively in the committees of the Board in which they are chairpersons or members;

j) Strive to attend the general meetings of the Company;

k) Keep themselves well informed about the Company and the external environment in which it operates;

l) Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;

n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

## 5. Details of the Remuneration paid to Directors during the year 2019-20 are as follows:

**(Amount in ₹)**

| Name of Director | Salary & Perquisites and other allowance | Commission | Sitting Fees | Total |
|---|---|---|---|---|
| Mr. Kamleshbhai Patel | 43,58,400 | 0 | 0 | 43,58,400 |
| Mr. Mukeshbhai Patel | 35,42,400 | 0 | 0 | 35,42,400 |
| Mr. Sureshbhai Patel | 29,64,400 | 0 | 0 | 29,64,400 |
| Mr. Bhaveshbhai Patel | 21,14,400 | 0 | 0 | 21,14,400 |
| Mr. Kanubhai Patel | 23,30,400 | 0 | 0 | 23,30,400 |
| Mr. Bhogibhai Patel | 15,87,000 | 0 | 0 | 15,87,000 |
| Mr. Amrutbhai Patel | 0 | 0 | 30,000 | 30,000 |
| Mr. Premjibhai Chaudhari | 0 | 0 | 1,00,000 | 1,00,000 |
| Dr. Indira Nityanandam | 0 | 0 | 30,000 | 30,000 |
| Mr. Hemendrakumar Shah | 0 | 0 | 1,75,000 | 1,75,000 |
| Mr. Mukesh M. Shah | 0 | 0 | 75,000 | 75,000 |
| Mrs. Dipti Mehta | 0 | 0 | 1,00,000 | 1,00,000 |

**- Criteria for making Payments to Non-Executive Directors:**

Non-Executive Directors ("NED") may be paid sitting fees for attending the meetings of the Board and of committees of which they may be members within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees will be recommended by the NRC and approved by the Board.

In addition to the sitting fees, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a Director.

## 6. Stakeholders Relationship Committee:

In compliance with the Regulation 20 of the Listing Regulations, requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises of three members including two Independent Directors. Dr. Indira Nityanandam Independent and Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

**Terms of reference of Stakeholders Relationship Committee:**

- The Committee shall resolve complaints related to transfer/transmission of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, approve issue of new/duplicate certificates and new certificates on split/consolidation/renewal etc., approve transfer/transmission, dematerialization and re-materialization of equity shares in a timely manner and oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services.
- The Committee shall review the measures taken for effective exercise of voting rights by shareholders.
- The Committee shall review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- The Committee shall review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- The Committee shall perform any other function required under the (i) Indian Companies Act, 2013 and rules framed thereunder (ii) the equity listing agreement entered into between Asian Granito India Limited and the stock exchanges on which its equity shares are listed or by the Board and (iii) SEBI regulations, or any other applicable law from time to time.
- The Committee shall periodically provide updates to the Board.
- The Committee may consult with other committees of the Board, if required, while discharging its responsibilities.
- The Committee shall monitor and review on an annual basis the Company's performance in dealing with Stakeholder grievances.
- The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Committee shall have access to any internal information necessary to fulfill its role.
- The Committee shall also have authority to appoint, remove, obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee has held Four Meetings during the financial year 2019-20i.e. 28th May, 2019; 6th August, 2019; 12th November, 2019 and 13th February, 2020.

The Composition of Stakeholders Relationship Committee and the details of meetings attended by its members during the financial year 2019-20 are given below:

| Name of the Committee Member | Designation | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Dr. Indira Nityanandam | Chairperson | Independent and Non-Executive Director | 3 |
| Mr. Amrutbhai Patel | Member | Independent and Non-Executive Director | 3 |
| Mr. Kamleshbhai B. Patel | Member | Promoter, and Executive Director | 4 |

The Committee considers and resolves the grievances of the security holders. The Committee also reviews the manner and time-lines of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc., and the responses thereto.

Mrs. Renuka A. Upadhyay, Company Secretary is the Secretary to the Committee and the Compliance Officer appointed for the compliance of capital market related laws.

**- The Details of Investor complaints received and resolved during the financial year 2019-20is as under:**

| No. of Investor complaints received during the year | No. of Investors complaints resolved during the year | Investor complaints pending at the end of the year |
|---|---|---|
| 0 | 0 | 0 |

During the year ended on 31st March, 2020, the Company has not received any complaints therefore no complaints outstanding as on 31stMarch, 2020. Normally all the complaints are disposed of within 30 days, if received.

**Other Committees:**

**(i) Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee mainly focused on to ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and has monitored the CSR Policy from time to time. To identify the areas of CSR activities and recommended the amount of expenditure to be incurred on such activities.

**Terms of reference of Corporate Social Responsibility Committee:**

- The Committee has reviewed the CSR Policy and associated frameworks, processes and practices of the Company and made appropriate recommendations to the Board.
- The Committee has ensured that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and has monitored the CSR Policy from time to time.
- The Committee has identified the areas of CSR activities and recommended the amount of expenditure to be incurred on such activities.

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy which is uploaded on the website of the Company www.aglasiangranito.com .

The CSR Report as required under the Companies Act, 2013 for the year ended 31st March, 2020is attached to the Board's Report.

The Committee has held one meeting during the financial year 2019-20 i.e. 13th February, 2020.

| Name of the Committee Member | Designation | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Kamleshbhai B. Patel | Chairman | Promoter, Non – Independent and Executive Director | 1 |
| Mr. Mukeshbhai Patel | Member | Promoter, Non – Independent and Executive Director | 1 |
| Dr. Indira Nityanandam | Member | Independent and Non-Executive Director | 1 |

**(ii) Administrative Committee:**

The Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolve between two Board Meetings of the Company such as decision on banking relations, delegation of operational powers, appointment of nominees under various statutes etc.

**Terms of reference:**

The terms of reference of this committee covers the matters prescribed under the Section 179 (3) (d) to (f) of the Companies Act, 2013 and other rules prescribed thereunder.

The Administrative Committee will also review all the matters prescribed under the Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Council of the Institute of Company Secretaries of India except matters which are exclusively reserved to be discussed and decided in the Board Meetings.

The Committee has held Ten Meetings during the financial year 2019-20 i.e. 13th May, 2019; 20th June, 2019; 23rd July, 2019; 16th September, 2019; 8th October, 2019; 5th November, 2019; 30th November, 2019; 16th January, 2020; 19th February, 2020 and 13th March, 2020.

**Composition, Name of Members and Chairman, Meetings held during the year and attendance at meetings:**

| Name of the Committee Member | Designation | Category | No. of meetings Attended during the year2019-20 |
|---|---|---|---|
| Kamleshbhai B. Patel | Chairman | Promoter, Non – Independent and Executive Director | 10 |
| Mukeshbhai Patel | Member | Promoter, Non – Independent and Executive Director | 10 |
| Bhaveshbhai Patel | Member | Executive Director | 10 |

Mrs. Renuka A. Upadhyay, Company Secretary and Compliance officer acts as Secretary to this Committee.

**Purpose:**

The Administrative Committee shall carry out the Board's power and responsibilities with respect to a) to borrow monies b) to invest the funds of the Company c) to grant loans or give guarantee or provide security in respect of loans d) monitor compliances with such other powers and responsibility mentioned above or as may be stated herein.

i. To borrow funds not exceeding ` 500 Crores from Banks, Institutions, Companies, Corporations, Societies, Firms, Person or Persons on behalf of and for the Company.

ii. To grant loans, give guarantees or provide securities in relation to loans availed by other bodies corporate including but not limited to the Company's subsidiaries and to invest Company's funds by way of subscription, purchase or otherwise in the securities of other bodies corporate including but not limited to the Company's subsidiaries upto a limit of ` 300 Crores.

iii. To open, close and operate the Bank Accounts held, in the name of the Company.

iv. To hire or take on lease property of any kind for the purpose of Company's business at such rent and for such period and upon such conditions as it may think fit and proper for the purposes aforesaid, to execute all such agreements, leases and other documents as it shall think fit, which is in normal course of business not exceeding 10% of net worth or 10% of turnover and subject to approval of the Board in a duly convened Board Meeting as and when required as per applicable laws.

v. To authorize the Director/s, Officer/s and/or other person or persons on behalf the Company to represent the Company before Central and/or State Government(s), Govt. Departments, local bodies, Court of law and other authorities for registration, filing of returns & documents, obtaining of forms, etc. and doing all other acts, deeds and things as may be required to be done from time to time on behalf of the Company, and subject to approval of the Board in a duly convened Board Meeting as and when required by the applicable laws.

vi. To give authority to any person/(s) for any legal matter for signing Vakalatnama, various papers/ documents, power of attorneys as may be required for any legal case.

vii. To open Branch offices and give authority to any person to carry out legal formalities for such offices.

viii. To apply for registration/license of/for the company with/ from various authorities of any state or center including provident fund authorities, pollution control board/ authorities, labour department, land revenue department, sales tax authorities, income tax authorities, shops & establishment authorities, customs & central excise authorities, the Director General of Foreign Trade and to do or perform all acts & deeds relating to such matter.

ix. To purchase motor vehicles in the name of the Company and to authorize officials of the Company to sign documents for registration of motor vehicles and to do all acts and things for the transfer of any such motor vehicles.

x. To enter into agreements with banks or financial institutions to transact spot and forwards in foreign exchange and enter into interest rate and foreign currency swaps, options and any derivatives that may from time to time be used as tools to hedge the company's interest and foreign exchange exposures.

xi. To enter into agreement with agencies as may be required as per statutory act, Rules and regulation i.e. pollution control and gas etc.

xii. To do all such acts as required under companies act in day to day affairs except as statutory required under companies acts 2013.

The committee reports to the Board and the minutes of these meetings are placed before the Board for Confirmation.

## 7. General Body Meetings:

**- The details of last three Annual General Meeting of the Company held are given below:**

| Financial Year | Location of the Meeting | Date and Time | Special Resolution Passed |
|---|---|---|---|
| 2016-17 | H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 | 21st September, 2017 11:00 A.M | NIL |
| 2017-18 | H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 | 18th September, 2018 11:00 A.M | (1) To advance loan or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested. (2) Approval of Loan and Investment by Company exceeds the limits. |
| 2018-19 | H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 | 30th September, 2019 11:00 A.M. | NIL |

Two special resolutions were passed during the last three Annual General Meetings. There were no resolutions passed through postal ballot last year.

**- The details of Extra Ordinary General Meeting of the Company held in Financial Year 2019-20 are given below:**

| Financial Year | Location of the Meeting | Date and Time | Special Resolution Passed |
|---|---|---|---|
| 2019-20 | H T Parekh Convention Hall, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 | 05th April, 2019 10:30 A.M | (1) Issue of Warrants, Convertible into Equity Shares on Preferential Basis.<br>(2) Re-appointment of Mr. Premjibhai R. Chaudhari(DIN:03404647) as an Independent Director of the Company.<br>(3) Re-appointment of Mr. Amrutlal Ishwerlal Patel (DIN:03381404) as an Independent Director of the Company.<br>(4) Re-appointment of Dr. Indira Nityanandam(DIN:06749538) as an Independent Director of the Company.<br>**Ordinary Resolution Passed**<br>To Approve The Related Party Contracts/ Arrangements/Transaction of the Company. |

## 8. Means of communication to shareholders:

(a) The quarterly, half-yearly and annual financial results of the Company are disseminated to the Stock Exchanges immediately through permitted mode after these have been approved by the Board. These are widely published in eminent daily newspapers like The Financial Express and The Indian Express (both English and in vernacular language newspaper) and also uploaded on Company's website: www.aglasiangranito.com. The web link is as under https://www.aglasiangranito.com/investor-relation

(b) Company's official news releases and presentation made to the Institutional Investors and analyst are sent to the Stock Exchanges and the same is made available on the Company's Website. The web link is as under https://www.aglasiangranito.com/investor-relation

(c) Company sends soft copies of Annual Report to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents, unless opted by them to get the physical copy, to support the "Green Initiative in Corporate Governance", an initiative taken by the Ministry of Corporate Affairs. Your company encourages its shareholders to register/ update the e-mail ids for communication purpose thereby contributing to the environment.

(d) The "Investors" section on the website gives information relating to financial results, annual reports, shareholding pattern. Information about unclaimed dividends is also available on the website of the Company.

(e) Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal. They are also displayed on the Company's website.

(f) Management discussion & analysis is a part of Annual Report attached herewith.

## 9. General Shareholders Information:

**- Company Registration Details:**

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17110GJ1995PLC027025.

**(a) 25th Annual General Meeting:**

| | |
|---|---|
| Date & Time | 20th November, 2020; 11:00 A.M. |
| Venue | Registered office (by audio visual means) |

**(b) Tentative Financial Calendar for the financial year – 1st April, 2020 to 31st March, 2021**

| | |
|---|---|
| First Quarterly Result | On or before August 14, 2020 |
| Second Quarterly Result | On or before November 14, 2020 |
| Third Quarterly Result | On or before February 14, 2021 |
| Fourth Quarter and year end Result | On or before May 30, 2021 |

**- Date of Book Closure:**

Wednesday, 11th November, 2020 to Friday, 20th November, 2020 (Inclusive of both days)

**(c) Dividend Payment date:** The proposed dividend, if approved at the ensuing AGM will be paid to all eligible shareholders within 30 days from the date of declaration.

**(d) Listing of Equity Shares on Stock Exchange:**

At present, the equity shares of the company are listed on the National Stock Exchange Limited (NSE- Scrip Code: ASIANTILES) and the Bombay Stock Exchange Limited (BSE- Scrip code: 532888). The Company has paid till date, appropriate listing fees to both the stock exchanges where the Company's equity shares are listed.

**National Stock Exchange of India Limited**
Exchange Plaza, Plot No. – C/1, G – Block,
Bandra- Kurla Complex,
Bandra (E), Mumbai – 400051

**Bombay Stock Exchange Limited**
2nd Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400001

**- Payment of Depository Fees:**

Annual Custody / Issuer fee for the FY 2020-21 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

**(e) Stock Code:**

Bombay Stock Exchange (Scrip Code): **532888**

National Stock Exchange (Trading Symbol): **ASIANTILES**

ISIN Number for Equity Shares: **INE022I01019**

**(f) Market Price Data:**

The closing market price of equity share on 31st March, 2020 (last trading day of the year) was ₹ 164.25 on BSE and ₹ 161.85 on NSE.

The monthly movement of equity share prices during the year ended 31st March, 2019 at BSE and NSE are summarized below:

| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Total number of shares traded | High (₹) | Low (₹) | Total number of shares traded |
| Apr-19 | 250 | 184.15 | 1,32,177 | 248.95 | 184 | 10,19,131 |
| May-19 | 259.15 | 178.05 | 6,72,237 | 260 | 178.1 | 52,11,865 |
| Jun-19 | 273.4 | 249.55 | 6,72,900 | 274.85 | 248 | 28,56,401 |
| Jul-19 | 253.45 | 211 | 13,85,397 | 253.9 | 211 | 31,58,957 |
| Aug-19 | 237 | 191.9 | 4,53,279 | 237.4 | 190.55 | 17,32,573 |
| Sep-19 | 253.25 | 208.55 | 7,91,785 | 253.7 | 208.6 | 21,31,035 |
| Oct-19 | 252.65 | 199 | 5,65,166 | 253.85 | 183.5 | 19,61,769 |
| Nov-19 | 258 | 222.4 | 3,70,827 | 258 | 222.25 | 16,64,264 |
| Dec-19 | 250.55 | 204.5 | 2,28,788 | 250.9 | 215.05 | 7,67,869 |
| Jan-20 | 228.95 | 206.7 | 2,13,024 | 229 | 206 | 6,33,906 |
| Feb-20 | 275 | 187.75 | 6,38,228 | 262.1 | 183.95 | 31,77,937 |
| Mar-20 | 260.65 | 149 | 4,25,936 | 261.45 | 154.55 | 16,03,051 |

### (g) Performance in comparison:

**Chart A: Asian Share Performance V/s BSE Sensex:**

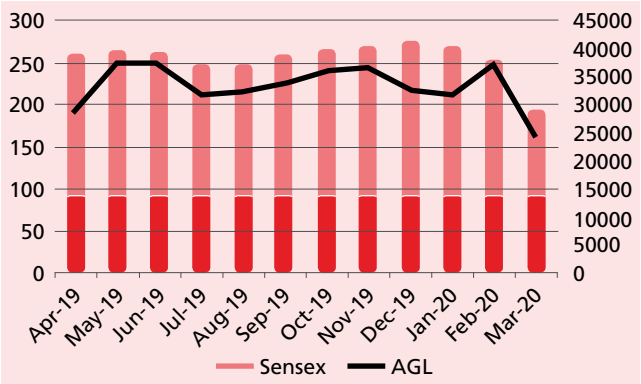
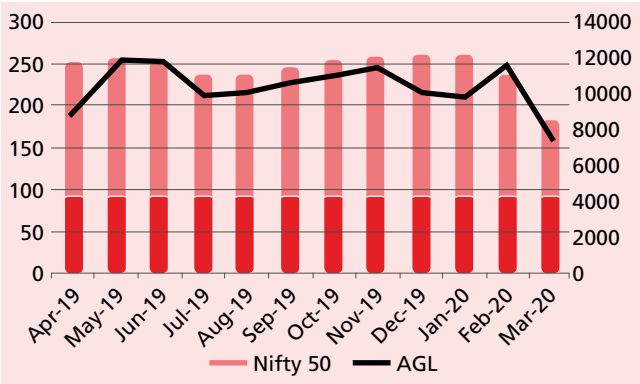



**Chart B: Asian Share Performance V/s Nifty 50**




### (h) Registrar and Transfer Agent

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

**Link Intime India Pvt. Ltd.**

506 to 508, Amarnath Business Centre - I (ABC - I),

Besides Gala Business Centre,

Near St. Xavier's College Corner,

Off C G Road, Ellisbridge

Ahmedabad, Gujarat, 380006

Tel. 079 26465179/86/87

E-mail: ahmedabad@linkintime.co.in

Web site: www.linkintime.co.in

### (i) Share Transfer System

To expedite the transfer of shares held in physical mode the powers to authorise transfers have been delegated to specified officials of the RTA and Company. The applications and request received by the Registrar and Share Transfer Agent for the transfer of shares held in physical form are processed and the share certificate for the same are sent to the transferee within the stipulated period. The details of transfers / transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

The Company has signed necessary agreements with two depositories currently functional in India viz. National Securities Depository Limited & Central Depository Services (India) Limited. The transfer of shares in electronic mode need not be approved by the Company.

### (j) Distribution of Shareholding as on 31st March, 2020

| Shareholding | Number of Share Holders | Percentage of Holders | No. of shares | Percentage of Holding |
|---|---|---|---|---|
| Upto 500 | 17499 | 93.2832 | 1424766 | 4.7354 |
| 501 to 1000 | 529 | 2.82 | 419194 | 1.3933 |
| 1001 to 2000 | 285 | 1.5193 | 428291 | 1.4235 |
| 2001 to 3000 | 94 | 0.5011 | 239071 | 0.7946 |
| 3001 to 4000 | 42 | 0.2239 | 148019 | 0.4920 |
| 4001 to 5000 | 42 | 0.2239 | 199908 | 0.6644 |
| 5001 to 10,000 | 82 | 0.4371 | 624982 | 2.0772 |
| 10001 and above | 186 | 0.9915 | 26603215 | 88.4197 |
| **Total** | **18759** | **100** | **30087446** | **100** |

**- Shareholding pattern as on 31st March, 2020**

| Category Code | Category | Total Shares | % of Share Capital |
|---|---|---|---|
| A | **Shareholding of Promoter & Promoter Group** | | |
| | 1. Indian Promoters | 1,01,46,474 | 33.7233 |
| | 2. Foreign Promoters | 0 | 0 |
| | **Sub – Total** | **1,01,46,474** | **33.7233** |
| B | **Public Shareholding** | | |
| | 1. Institutions | | |
| | - Financial Institutions/ banks | 7,72,794 | 2.5685 |
| | - Foreign Portfolio Investors | 8,790 | 0.0292 |
| | - Mutual Fund | 19,07,202 | 6.3389 |
| | - Alternate Investment Funds | 6,55,462 | 2.1785 |
| | 2. Non Institutions | | |
| | a. Bodies Corporate | 53,38,328 | 17.7427 |
| | b. Individuals | | |
| | (i) Nominal Share Capital up to ₹ 2 Lakh | 32,65,883 | 10.8546 |
| | (ii) Nominal Share Capital in excess of ₹ 2 Lakh | 65,82,910 | 21.8793 |
| | c. HUF | 9,05,627 | 3.010 |
| | d. Non Resident Indians (Non Repat) | 28,050 | 0.0932 |
| | e. Non Resident Indians (Repat) | 1,03,971 | 0.3456 |
| | f. IEPF | 3761` | 0.0125 |
| | g. Other Directors | 3,35,641 | 1.1156 |
| | h. Clearing member | 17,553 | 0.0583 |
| | i. Trust Employee | 15,000 | 0.0499 |
| | **Sub Total** | **1,99,40,972** | **66.2767** |
| | **Total** | **30087446** | **100** |

**(k) Dematerialisation of Shares and Liquidity**

The equity shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in dematerialized form. The ISIN No. of the Company is INE022I01019.

As on 31st March, 2020, 3,00,86,963 equity shares of the Company have been dematerialised representing 99.99 % of the total shares.

**- Physical/NSDL/CDSL/Summary Report as on 31st March, 2020:**

| PARTICULARS | SHARES | PERCENTAGE (%) |
|---|---|---|
| PHYSICAL | 483 | 0.001 |
| NSDL | 1,72,60,963 | 57.37 |
| CDSL | 1,28,26,000 | 42.63 |
| **TOTAL** | **3,00,87,446** | **100.00** |

**(l) Outstanding GDRs / ADRs / warrants or any convertible instrument, conversion date and likely impact on the equity**

As on 31st March, 2020, the Company has not issued GDRs, ADRs. During the year under review After receiving in principal approval from the Stock Exchanges, the Company has allotted 47,00,000 "Fully Convertible Warrants" at price of Rs. 180/- each (at a face value of Rs. 10/- each and Premium of Rs. 170/- Per Convertible Warrant), which will be converted into equity shares. No warrant has been converted into equity during financial year 2019-20, hence there is no impact on the equity share capital of the Company.

**(m) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company transacts business in foreign currencies (primarily USD and EUR). Consequently, the Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company manages its foreign currency risk by following policies approved by the Board as per established risk management policy. The details of foreign currency exposure as on 31st March, 2020 is provided in Note No. 34 of the Financial Statements for the year ended 31st March, 2020.

**(n) Plant Locations**

| | | |
|---|---|---|
| 1. Ceramic Zone,<br>Katwad Road,<br>At & Po. Dalpur,<br>Taluka Prantij<br>383 120,<br>Dist. Sabarkantha | 2. B/h. Sardar Plant<br>Idar -383430<br>Dist. Sabarkantha | 3. Plot No. 767,<br>Nr. JTI ,<br>Kheda Dholka<br>Highway<br>Radhu, Dholka,<br>Dist: Kheda |

**(o) Address for correspondence:**

Shareholder's correspondence should be addressed either to the Registered office of the Company or to the Link Intime India Pvt. Ltd., the Registrar and Share Transfer Agent as stated below.

**Registered Office**
202, Dev Arc, Opp. Iscon Temple,
S. G. Highway,
Ahmedabad – 380015
Telephone No.-91 79 66125500/698
Fax No.-91 79 66125600/ 66058672
Email-info@aglasiangranito.com
CIN: L17110GJ1995PLC027025

**Link Intime India Pvt. Ltd.**
506 to 508, Amarnath Business Centre - I (ABC - I),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C G Road, Ellisbridge
Ahmedabad, Gujarat, 380006
Tel. 079 26465179/86/87
E-mail: ahmedabad@linkintime.co.in
Web site: www.linkintime.co.in

**(p) Credit Rating:**

**ICRA Credit Rating for ₹ 262.00 Crore Lines of Credit (Details of Instrument in Annexure):**

During the year under review, ICRA Limited ("ICRA") has retained the long term rating [ICRA]A (Pronounced ICRA A) and the short term rating at [ICRA]A1 (pronounced ICRA A one) on the captioned Line of Credit of your company. The Outlook on the long-term rating has been revised to Stable from Negative.

**Annexure:**

| Details of Bank Limits Rated by ICRA (Rated on Long-Term Scale) | Amount (₹ crore) | Rating | Rating Assigned on |
|---|---|---|---|
| State Bank of India- Cash Credit | 119.00 | [ICRA ]A (Stable) | December 30, 2019 |
| Induslnd Bank- Cash Credit | 1.00 | [ICRA ]A (Stable) | December 30, 2019 |
| HDFC Bank- Cash Credit | 30.00 | [ICRA ]A (Stable) | December 30, 2019 |
| Kotak Bank- WCDL | 20.00 | [ICRA ]A (Stable) | December 30, 2019 |
| State Bank of India- Term Loan | 2.40 | [ICRA ]A (Stable) | December 30, 2019 |
| Induslnd Bank- Term Loan | 6.60 | [ICRA ]A (Stable) | December 30, 2019 |
| Kotak Bank- Term Loan | 6.44 | [ICRA ]A (Stable) | December 30, 2019 |
| Unallocated Limits | 8.29 | [ICRA ]A (Stable) | December 30, 2019 |
| **Total** | **193.73** | | |

| Details of Bank Limits Rated by ICRA (Rated on Short-Term Scale) | Amount (₹ crore) | Rating | Rating Assigned on |
|---|---|---|---|
| State Bank of India- Letter of Credit/ Bank Guarantee | 25 .00 | [ICRA]Al | December 30, 2019 |
| Induslnd Bank - Letter of Credit/ Bank Guarantee | 40.00 | [ICRA]Al | December 30, 2019 |
| State Bank of India – Credit Exposure Limit | 0.84 | [ICRA]Al | December 30, 2019 |
| Induslnd Bank - Credit Exposure Limit | 2.43 | [ICRA]Al | December 30, 2019 |
| **Total** | **68.27** | | |

## 10. Disclosures:

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

**(a) Related Party Transactions:**

All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and comply with the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS-24) has been made in the notes to the Financial Statements.

The Board has reviewed and approved a new policy for related party transactions on 13th February, 2020, which has been uploaded on the Company's website. The web link is https://aglasiangranito.com/policies/Related_Party_Transaction_Policy_13022020.pdf

**(b)** There were no instances of non-compliance, penalties or strictures imposed on the Company by Stock Exchanges, SEBI or other statutory authority of any matter related to the Capital Market during the last three years.

**(c) Vigil Mechanism / Whistle Blower Policy:**

Pursuant to Section 177(9) and (10) of Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy with vigil mechanism for directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. No complaint has been received during the year 2019-20.

The Company has adopted new vigil mechanism/ whistle blower policy as on 13thFebruary, 2020 and details of establishment of vigil mechanism have been disclosed by the Company on its website i.e. https://aglasiangranito.com/policies/Policy_on_Vigil_Mechanism_13022020.pdf and in the Board's Report.

**(d) Details of Compliances with Mandatory and Non mandatory Requirements:**

**Mandatory Requirements:**

The Company has fully complied with the applicable mandatory requirements of SEBI Listing Regulations.

**Adoption of non-mandatory requirements under SEBI Listing Regulations:**

**The Board:**

The Company has appointed an executive chairman, being the promoter of the Company.

**Shareholders Rights:**

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website www.aglasiangranito.com, the same are not being sent separately to each household of the shareholders.

**Website:**

The Company's website (www.aglasiangranito.com) contains a separate dedicated section 'Investor Relations 'where Shareholders' information is available.

**NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre ("Listing Centre"):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):**

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

No complaint from any investors during the year has been registered on the SCORES.

**Audit Qualification:**

The Audit Reports on the Financial Statements for the year ended 31st March, 2020 do not contain any modified opinion.

**Separate posts of Chairman and CEO/ Managing Director:**

As per the Articles of Association of the Company and in accordance with the provisions of the Companies Act, 2013, the Company continues to appoint one person as Chairman & Managing Director of the Company.

**Reporting of Internal Auditor:**

The internal auditor reports to Audit Committee.

**(e) Subsidiary Companies:**

As on date Company does have one material unlisted Indian subsidiary company Crystal Ceramic Industries Private Limited in terms of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. One of the Independent Director on our Board is also on the Board of material subsidiary as per Listing Regulation provisions. The minutes of the Board meetings of the subsidiary companies are placed at the meeting of the Board of Directors of the Company on periodical basis. The Audit Committee reviews the financial statements including investments made by the unlisted subsidiary companies of the Company.

The Board of Directors of the Company has approved a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link:https://aglasiangranito.com/policies/MATERIAL%20SUBSIDIARY%20POLICY%20OF%20ASIAN%20GRANITO%20INDIA%20LIMITED.pdf

**(f)** After receiving in-principle approval from the Stock Exchanges and from Shareholders, the Company has offered and allotted 47,00,000 "Fully Convertible Warrants" at price of ₹ 180/- each (at a face value of ₹ 10/- each and Premium of ₹ 170/- Per Convertible Warrant) in one or more tranches for the below objective:

i) To fund long term capital requirements for future growth of the Company;

ii) To meet working capital requirement and reducing debts; and

iii) To meet General Corporate Purpose.

The 25% of ₹ 180/- i.e. ₹ 45/- per convertible warrant (₹ 45/- * 4700000 convertible warrants)= ₹ 2,115 Lakhs have been received during the current financial year and remaining 75% balance amounting to ₹ 6,345 Lakhs will be received within 18 months from the date of allotment.

**(g)** The Company has received certificate from Rajesh Parekh & Co., Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board / Ministry of Corporate Affairs or any such Statutory Authority.

**(h)** There is no instances where the Board has not accepted any recommendations of any committee of the Board, which is mandatorily required in the Financial Year 2019-20.

**(i)** During the year, Total fees of ₹ 26.33 lakhs have been paid to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part **by the Company and its Subsidiaries on a consolidated basis**.

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

| (a) No. of complaints filed during the financial year | (b) No. of complaints disposed of during the financial year | (c) No. of complaints pending as on the end of the financial year |
|---|---|---|
| 0 | 0 | 0 |

**(k) Ethics/ Governance policies:**

**1. Code of Business Conduct and Ethics**

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Business conduct and Ethics ('the code'). The Company has in place a comprehensive Code of Conduct applicable to all employees and Directors. The code gives guidance and support needed for ethical conduct of business and compliance of laws.

A Code of Business Conduct and Ethics is available on the Company website www.aglasiangranito.com

The code has been circulated to Directors and management personnel.

**2. Insider Trading Code**

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The code is applicable to Promoters, Promoters Group, all Directors, Key Managerial Persons, Connected Persons and Designated Persons and their immediate Relatives who are expected to have access to unpublished Price Sensitive Information relating to the Company. The Company Secretary is the Compliance officer for monitoring the adherence to the said regulations.

**3. Policy on Material Subsidiary**

The Company has adopted a policy on material subsidiaries. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiaries is available on the website of the company https://aglasiangranito.com/policies/MATERIAL%20SUBSIDIARY%20POLICY%20OF%20ASIAN%20GRANITO%20INDIA%20LIMITED.pdf

**4. Related Party Transactions**

In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Related Party Transaction Policy. The Board has reviewed and approved a new policy for related party transactions on 13th February, 2020, which has been uploaded on the Company's website. The web link is https://aglasiangranito.com/policies/Related_Party_Transaction_Policy_13022020.pdf

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

**5. Policy on Determination of Materiality**

The Company has adopted the Policy on Determination of Materiality and the same is also uploaded at the website of the Company https://aglasiangranito.com/policies/Policyondetermination.pdf

**6. Policy on Preservation of Documents**

The Company has adopted the Policy on Preservation of Documents and the same is also uploaded at the website of the Company https://aglasiangranito.com/policies/Policy%20on%20preservation%20of%20documents.pdf

**(l) Code of Conduct for Board members and Senior Management**

Code of Conduct adopted by the Company has been posted on the website of the company https://www.aglasiangranito.com/investor-relation. The members of the Board and senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The declaration by the Executive Chairman to that effect forms part of this report as **Annexure 1**.

**(m) Code of Conduct for Prevention of Insider Trading**

In compliance with the SEBI Regulations on Prevention of Insider Trading and amendments thereto, the Company has in place the Code of Conduct to Regulate, Monitor and Report Trading by Insiders to avoid any insider trading and it is applicable to all the Directors, officers, KMPs, Designated employees, their dependent relatives and connected persons who are expected to have access to the unpublished price sensitive information relating to the Company. The Company has also defined the policy for determination of legitimate purposes. The Company lays down the guidelines which advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company. The Company has also maintained a structured Digital Database to curb the trading by insiders. The new code of conduct for prevention of insider trading is adopted on 12th February, 2019 by Board of Directors and the same has been hosted on the web site of the Company. The web link is as follows: https://aglasiangranito.com/code_of_conduct/insider-trading-code-2015.pdf

**(n) CEO and CFO certification**

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Executive Chairman and CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33 (2) (a) of the Listing Regulations.

**(o) Accounting Standards/Treatment**

The Company has complied with the applicable Accounting Standards specified u/s 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with and in compliance of schedule III notified by the Ministry of Corporate Affairs (MCA).

**(p) Going Concern**

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

**(q) Share Capital Audit Report**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital for the quarter ended is being carried out by M/s. Rajesh Parekh & Co. (CP No.:2939, FCS: 8073), Practising Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to Stock Exchanges.

**(r) Secretarial Audit Report**

A secretarial audit report for the year 2019-20 carried out by M/S Rajesh Parekh & Co. (CP No.:2939, FCS: 8073), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

**(s) Unpaid / Unclaimed Dividend**

No dividend was declared in financial year 2012-13 hence there is no requirement to transfer unpaid / unclaimed dividend to Investor Education and Protection Fund (IEPF).

**(t) Disclosure in Respect of Equity shares transferred in the 'Asian Granito India Limited- Unclaimed Suspense Account' is as under:**

There is no such instances during the year which requires transfer of equity shares to Unclaimed Suspense Account.

**(u) Reminder to Investors**

Reminders for unclaimed shares, unpaid dividends which are going to be transferred to IEPF Account are sent to the shareholders as per records every year.

**(v) Investor Services**

For any assistance mail to: info@aglasiangranito.com / cs@aglasiangranito.com

**(w) Location of the Depositories**

**National Securities Depository Limited**
Trade World, 4th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parle, Mumbai – 400013

**Central Depository Services (India) Limited**
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Mumbai – 400001

**(x) Compliance Officer / Nodal Officer of IEPF Authority**

**Renuka A. Upadhyay**
Company Secretary and Compliance Officer
202, Dev Arc, Opp. Iskcon Temple,
S. G. Highway, Ahmedabad – 380015
E-mail: cs@aglasiangranito.com
Phone No. : 079 - 66125500/698/699
Fax No. : 079 - 66058672/66125600

**For and on behalf of the Board**

Place: Ahmedabad
Date: 19th August, 2020

**Kamleshbhai B. Patel**
Chairman and Managing Director

## ANNEXURE 1 TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,

**Affirmation of Compliance with Code of Business Conduct**

I, Kamleshbhai Patel, Chairman and Managing Director, declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Business Conduct for the period from 1st April, 2019 or the date of their joining the Company, whichever is later, to 31st March, 2020 from all Members of the Board and core management team comprising of the members of management one level below the Director and all functional heads.

Place: Ahmedabad
Date:19th August, 2020

**Kamleshbhai B. Patel**
Chairman and Managing Director

## CEO & CFO CERTIFICATE

To the Board of Directors of Asian Granito India Ltd:

Shri Kamleshbhai B. Patel (CMD) and Shri Amarendrakumar Gupta (CFO) of the Company hereby certify to the Board that:

a. We have reviewed financial results for the quarter and year ended on 31st March, 2020 and that to the best of their knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. 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. We are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee:

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which they 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.

e. All Related Party Transactions done by the Company during the quarter ended 31st March, 2020 are on Arm's Length Basis.

**Kamleshbhai B. Patel**
Chairman & Managing Director

**Amarendra Kumar Gupta**
CFO

Asian Granito India Ltd.
Date: 09.06.2020
Place: Ahmedabad

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of
**Asian Granito India Limited**

We have examined the compliance of conditions of Corporate Governance by Asian Granito India limited for the Year ended on 31st March, 2020, as stipulated in Regulations 17, 17A,18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clause (b) to (i) of sub regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and 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 SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

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

For **Rajesh Parekh & Co.**
Company Secretary

**(Rajesh Parekh)**
Proprietor
Membership No. : 8073
UDIN:A008073B001083763

Place: Ahmedabad
Date: 19th August, 2020

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
**Asian Granito India Limited**
202, Dev Arc,
Opposite Iskon Temple,
Ahmedabad-380059.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Asian Granito India Limited** having **CIN: L17110GJ1995PLC027025** and having registered office at **202, Dev Arc, Opposite Iskon Temple, Ahmedabad-380059** (hereinafter referred to as 'the ompany'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In 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, 2020 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, **New Delhi** or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---|---|---|---|
| 1. | Hemendrakumar Chamanlal Shah | 00077654 | 20.03.2017 |
| 2. | Mukesh Mahendrabhai Shah | 00084402 | 14.11.2018 |
| 3. | Dipti Atul Mehta | 00112368 | 12.02.2019 |
| 4. | Kamleshkumar Bhagubhai Patel | 00229700 | 30.09.2002 |
| 5. | Sureshbhai Jivabhai Patel | 00233565 | 11.05.2011 |
| 6. | Bhogilal Bhikhabhai Patel | 00300345 | 11.05.2011 |
| 7. | Kanubhai Bhikhabhai Patel | 00386852 | 11.05.2011 |
| 8. | Mukeshbhai Jivabhai Patel | 00406744 | 30.09.2002 |
| 9. | Amrutlal Ishwerlal Patel | 03381404 | 11.05.2011 |
| 10. | Bhaveshbhai Vinodbhai Patel | 03382527 | 11.05.2011 |
| 11. | Premjibhai Ramjibhai Chaudhari | 03404647 | 11.05.2011 |
| 12. | Indira Nityanandam | 06749538 | 29.11.2013 |

Ensuring the eligibility of 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 **Rajesh Parekh & Co.,**
Company Secretary

**Rajesh Parekh**
(Proprietor)
Mem. No.: 8073
COP No.: 2939
UDIN:A008073B000332639

Place: Ahmedabad
Date: 10.06.2020

# INDEPENDENT AUDITOR'S REPORT

**To**
**The Members of**
**Asian Granito India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **ASIAN GRANITO INDIA LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (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, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw your attention to Note 1.4(v) to the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

### 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 the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **Adoption of Ind AS 116, Leases**<br>Effective from 1st April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognize, measure, present and disclose leases.<br><br>The standard provides a single lease accounting model, requiring lessees to recognize a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.<br><br>**The Company has applied Ind AS 116.**<br>We considered the first-time application of the standard as a key audit matter due to the judgments needed in establishing the underlying key assumptions. | **Principal Audit Procedure performed:**<br>• Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116. This includes factors such as lease term, discount rate and measurement principles;<br>• Testing completeness of the lease data, by reconciling the Company's operating lease commitments to the underlying data used in computing the ROU asset and Lease liability;<br>• Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability. |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standard ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

## Auditor's Responsibilities 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:

- 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 omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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.

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

## Other Matter

We have not audited the comparative financial information as at and for the year ended March 31, 2019 included in the accompanying financial statements. The predecessor auditors have expressed an unmodified opinion dated May 28, 2019 on their audit of the comparative financial information.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.**

For **R.R.S. & Associates**
Chartered Accountants
FRN.118336W

**Rajesh R Shah**
(Partner)
Membership No.034549
UDIN: 20034549AAAAAD9015

Place : Ahmedabad
Date : June 30, 2020

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Asian Granito India Limited of even date)**

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

We have audited the internal financial controls over financial reporting of **Asian Granito India Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.R.S. & Associates**
Chartered Accountants
FRN.118336W

**Rajesh R Shah**
(Partner)
Membership No.034549
UDIN: 20034549AAAAAD9015

Place : Ahmedabad
Date : June 30, 2020

# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Asian Granito India Limited of even date)**

1. In respect of the Company's fixed assets:

   a. The Company has maintained records showing particulars, including situation of its fixed assets, however, certain particulars are in process of being updated.

   b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3. According to the information and explanations given to us, the Company has granted unsecured loans to three bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

   a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

   b. The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

4. 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.

5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

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

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

   b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

   c. The details of disputed statutory dues of Income Tax, Sales Tax, Value Added Tax, Excise Duty, Custom Duty and other material statutory dues which have not been deposited as at March 31, 2020 on account of dispute are as under:-

| Name of Statue | Nature of Dues | Forum Where dispute is pending | Period to which the amount relates | Amount (₹ In Lakhs) |
|---|---|---|---|---|
| Central Sales Tax Act, 1956, Sales Tax Act and VAT Laws | Sales Tax and VAT | Appellate Tribunal | FY 2010-2011 | 7.86 |
| | | Appellate Authority upto Commissioners' Level | FY 2013-14 to 2017-18 | 1281.54 |
| **Sub –Total (A)** | | | | **1289.40** |
| Customs Act, 1962 | Customs | Commissioner Level | AY 2013-2014 | 167.97 |
| **Sub –Total (B)** | | | | **167.97** |
| Central Excise Act, 1944 | Excise | Commissioner Level | AY 2004-05 to 2008-09 | 2043.18 |
| **Sub –Total (C)** | | | | **2043.18** |
| The Income Tax Act, 1961 | Income Tax | High Court | AY 2004-05 to AY 2010-11 | 808.75 |
| | | Income Tax Appellate Tribunal | AY 2004-05 | 3.90 |
| | | Appellate Authority to Commissioners' Level | AY 2007-08, AY 2008-09, AY 2013-14 AY 2016-17, AY 2017-18, AY 2018-19 | 214.39 |
| **Sub –Total (D)** | | | | **1027.04** |
| **Total (A+B+C+D)** | | | | **4527.59** |

8. To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks and financial institutions. The Company has not taken any loans from government or has not issued any debentures.

9. In our opinion and on the basis of information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. In our opinion and according to information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V to the Act.

12. According to the explanation given to us, the Company is not a Nidhi Company and therefore the provisions of clause (xii) of the Order are not applicable.

13. According to the information and explanations given to us, and based on our examinations of the records of the Company, transactions with related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details of the transaction have been disclosed in the standalone financial statement as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **R.R.S. & Associates**
Chartered Accountants
FRN.118336W

**Rajesh R Shah**
(Partner)
Membership No.034549
UDIN: 20034549AAAAAD9015

Place : Ahmedabad
Date : June 30, 2020

# BALANCE SHEET

## as at March 31, 2020

(₹ in Lakhs)

| | Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1 | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 2 | 23,506.72 | 23,062.80 |
| | (b) Capital Work-in-Progress | 2 | 69.51 | - |
| | (c) Right of Use Assets | 2 | 1,064.96 | - |
| | (d) Investment Property | 3 | 50.76 | 50.76 |
| | (e) Financial Assets | | | |
| | (i) Investments | 4 | 3,664.91 | 5,400.68 |
| | (ii) Loans | 5 | 697.13 | 634.47 |
| | (iii) Other Financial Assets | 6 | 74.93 | 77.78 |
| | (f) Other Non-Current Assets | 7 | 962.38 | 887.60 |
| | (g) Non-Current Tax Assets (Net) | 8 | - | 127.96 |
| | **Total Non-Current Assets** | | **30,091.30** | **30,242.05** |
| 2 | **Current Assets** | | | |
| | (a) Inventories | 9 | 20,267.31 | 21,501.23 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 10 | 33,598.37 | 33,052.29 |
| | (ii) Cash and Cash Equivalents | 11 | 231.03 | 2,553.12 |
| | (iii) Bank Balances other than (ii) above | 11 | 348.29 | 223.68 |
| | (iv) Loans | 5 | 1,491.27 | 1,273.09 |
| | (v) Other Financial Assets | 6 | 1,692.70 | 560.83 |
| | (c) Other Current Assets | 7 | 2,578.18 | 754.35 |
| | **Total Current Assets** | | **60,207.15** | **59,918.59** |
| | **Total Assets** | | **90,298.45** | **90,160.64** |
| II | **EQUITY AND LIABILITIES** | | | |
| 1 | **EQUITY** | | | |
| | (a) Equity Share Capital | 12 | 3,008.74 | 3,008.74 |
| | (b) Other Equity | 13 | 39,838.03 | 35,003.71 |
| | **Total Equity** | | **42,846.77** | **38,012.45** |
| 2 | **LIABILITIES** | | | |
| (i) | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 375.13 | 690.32 |
| | (ii) Lease Liabilities | 41 | 814.27 | - |
| | (b) Provisions | 15 | 302.12 | 210.60 |
| | (c) Deferred Tax Liabilities (Net) | 16 | 1,803.12 | 2,226.45 |
| | **Total Non-Current Liabilities** | | **3,294.64** | **3,127.37** |
| (ii) | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 14 | 15,713.41 | 14,703.69 |
| | (ii) Lease Liabilities | 41 | 312.37 | - |
| | (iii) Trade Payables | 17 | | |
| | Total outstanding dues of micro enterprise and small enterprises | | 79.93 | 538.74 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 24,269.25 | 28,796.95 |
| | (iv) Other Financial Liabilities | 18 | 2,392.69 | 2,503.18 |
| | (b) Other Current Liabilities | 19 | 1,069.52 | 2,192.34 |
| | (c) Provisions | 15 | 312.70 | 285.92 |
| | (d) Current Tax Liabilities (Net) | 20 | 7.17 | - |
| | **Total Current Liabilities** | | **44,157.04** | **49,020.82** |
| | **Total Liabilities** | | **47,451.68** | **52,148.19** |
| | **Total Equity and Liabilities** | | **90,298.45** | **90,160.64** |
| | **Significant Accounting Policies** | 1 | | |
| | **See accompanying notes to the Financial Statements** | 2 - 48 | | |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2020

(₹ in Lakhs)

| | Particulars | Notes | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|---|---|---|---|
| 1 | **Income** | | | |
| | Revenue from Operations | 21 | 1,01,322.65 | 1,00,509.91 |
| | Other Income | 22 | 700.17 | 433.19 |
| | **Total Income** | | **1,02,022.82** | **1,00,943.10** |
| 2 | **Expenses** | | | |
| | Cost of Materials Consumed | 23 | 17,385.70 | 20,510.29 |
| | Purchase of Stock-in-Trade | | 51,132.60 | 47,004.00 |
| | Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 24 | 879.86 | (1485.47) |
| | Employee Benefits Expenses | 25 | 8,151.68 | 7,898.72 |
| | Finance Costs | 26 | 2,020.49 | 1,847.66 |
| | Depreciation and Amortisation Expenses | 27 | 1,807.39 | 1,658.66 |
| | Power & Fuel | 28 | 7,064.53 | 9,984.62 |
| | Other Expenses | 29 | 9,874.72 | 12,320.51 |
| | **Total Expenses** | | **98,316.97** | **99,738.99** |
| 3 | **Profit before tax (1-2)** | | **3,705.85** | **1,204.11** |
| 4 | **Tax Expense** | | | |
| | (1) Current Tax | | 952.48 | 352.82 |
| | (2) Earlier Year Tax | | 214.06 | (112.45) |
| | (3) Deferred Tax | | (416.86) | 233.10 |
| | **Total Tax Expense** | | **749.68** | **473.47** |
| 5 | **Profit for the Year (3-4)** | | **2,956.17** | **730.64** |
| 6 | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to Profit or Loss** | | | |
| | (i) Remeasurements of defined benefit plans | | (25.69) | (52.39) |
| | (ii) Income tax relating to above items | | 6.47 | 18.31 |
| | **Total Other Comprehensive Income (i + ii)** | | **(19.22)** | **(34.08)** |
| 7 | **Total Comprehensive Income for the Year (5 + 6)** | | **2,936.95** | **696.56** |
| | Earnings per equity Share (Face value of ₹ 10 each) | 32 | | |
| | (1) Basic (in ₹) | | **9.83** | **2.43** |
| | (2) Diluted (in ₹) | | **9.83** | **2.43** |
| | **Significant Accounting Policies** | 1 | | |
| | **See accompanying notes to the Financial Statements** | 2 - 48 | | |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# STATEMENT OF CASH FLOW

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Cash Flow From Operating Activities** | | | |
| **Profit Before Tax** | | 3,705.85 | 1,204.11 |
| Adjustment for: | | | |
| Depreciation | | 1,807.39 | 1,658.66 |
| Finance Costs | | 2,020.49 | 1,847.66 |
| Interest Income | | (352.20) | (369.13) |
| Allowance for Expected Credit Loss | | 165.49 | 169.83 |
| Net (Gain) / Loss on Sale of Property, Plant & Equipment | | 4.15 | 122.97 |
| (Gain) on Account of Derecognition of Subsidiary | | (308.40) | - |
| **Operating Profit before Working Capital changes** | | **7,042.77** | **4,634.10** |
| Changes in Working Capital | | | |
| Adjustment for: | | | |
| (Increase) / Decrease in Trade Receivables | | (711.57) | (1,264.08) |
| (Increase) / Decrease Financial Assets | | (1,155.78) | 13.22 |
| (Increase) / Decrease In Inventories | | 1,233.92 | (1,529.52) |
| (Increase) / Decrease in other Assets | | (1,898.59) | (57.31) |
| Increase / (Decrease) in Trade Payable | | (4,986.51) | 4,005.97 |
| Increase / (Decrease) in Other Financial Liabilities | | 277.39 | 184.53 |
| Increase / (Decrease) in Other Liabilities | | (1,122.82) | (550.71) |
| Increase / (Decrease) in Provisions | | 92.61 | 42.61 |
| **Cash generated from operations before Income Tax Paid** | | **(1,228.58)** | **5,478.81** |
| Direct Taxes Paid | | (1,031.41) | (495.84) |
| **Net Cash Flow From Operating Activities** | **[A]** | **(2,259.99)** | **4,982.97** |
| **Cash Flow From Investing Activities** | | | |
| Payments for purchase of Property, Plant & Equipment | | (2,078.89) | (2,378.49) |
| Proceeds from sales of Property, Plant & Equipment | | 50.00 | 385.08 |
| Increase / (Decrease) in Loans Given | | (280.84) | 93.85 |
| Proceeds/(Payments) of term deposits | | (124.49) | (15.44) |
| (Purchase) / Sale in Investments | | 2,044.17 | (552.38) |
| Interest Income | | 352.20 | 369.13 |
| **Net Cash Flow Used In Investing Activities** | **[B]** | **(37.85)** | **(2,098.25)** |
| **Cash Flow From Financing Activities** | | | |
| Increase/ (Decrease) in Non-Current Borrowings (Net) | | (703.08) | (1,142.30) |
| Increase/ (Decrease) in Current Borrowings (Net) | | 1,009.72 | 1,567.11 |
| Finance Costs paid | | (1,896.55) | (1,847.66) |
| Issue of Preferential share warrants | | 2,115.00 | - |
| Payment of lease liabilty | | (331.59) | - |
| Dividend paid | | (180.64) | (390.51) |
| Dividend Distribution Tax paid | | (37.11) | (80.40) |
| **Net Cash Flow Used In Financing Activities** | **[C]** | **(24.25)** | **(1,893.76)** |
| **Net Increase in cash and cash equivalents during the year** | **[A+B+C]** | **(2,322.09)** | **990.96** |
| Add: Cash and cash equivalents at the beginning for the year | | 2,553.12 | 1,562.16 |
| **Cash and cash equivalents at the end for the year** | | **231.03** | **2,553.12** |

# STATEMENT OF CASH FLOW (CONTD.)

## for the year ended March 31, 2020

**Notes:**

**i) Components of Cash & Cash Equivalents**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Cash On Hand | 7.34 | 21.34 |
| Balance with Bank | 223.69 | 2,524.85 |
| Fixed Deposit with Bank | - | 6.93 |
| **Total** | **231.03** | **2,553.12** |

**ii) Reconciliation of liabilities arising from financing activities**

(₹ in Lakhs)

| As at March 31, 2020 | Opening Balance | Cash Flows | Non Cash Changes | Closing Balance |
|---|---|---|---|---|
| Long term Borrowings (Incl. Current maturity) | 1,504.06 | (703.08) | - | **800.98** |
| Short term Borrowings | 14,703.69 | 1,009.72 | - | **15,713.41** |
| **Total liabilities from financing activities** | **16,207.75** | **306.64** | **-** | **16,514.39** |

(₹ in Lakhs)

| As at March 31, 2019 | Opening Balance | Cash Flows | Non Cash Changes | Closing Balance |
|---|---|---|---|---|
| Long term Borrowings (Incl. Current maturity) | 2,646.36 | (1,142.30) | - | **1,504.06** |
| Short term Borrowings | 13,136.58 | 1,567.11 | - | **14,703.69** |
| **Total liabilities from financing activities** | **15,782.94** | **424.81** | **-** | **16,207.75** |

**iii)** The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

| | |
|---|---|
| **Significant Accounting Policies** | **1** |
| **See accompanying notes to the financial statements** | **2 - 48** |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### A. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Balance at the beginning of the year** | **3,008.74** | **3,008.74** |
| Changes in Equity share capital during the year | - | - |
| **Balance at the end of the year** | **3,008.74** | **3,008.74** |

### B. Other Equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | Preferential Share Warrants | Total |
|---|---|---|---|---|---|
| | Security Premium | General Reserve | Retained Earnings | | |
| **Balance as at April 1, 2018** | **7,690.51** | **890.00** | **26,198.18** | **-** | **34,778.69** |
| Profit for the year | - | - | 730.64 | - | 730.64 |
| Other Comprehensive Income for the year | - | - | (34.08) | - | (34.08) |
| **Total Comprehensive Income for the year** | **-** | **-** | **696.56** | **-** | **696.56** |
| Dividends (Refer Note 13.2) | - | - | (391.14) | - | (391.14) |
| Dividend Distribution Tax (Refer Note 13.2) | - | - | (80.40) | - | (80.40) |
| **Balance as at March 31, 2019** | **7,690.51** | **890.00** | **26,423.20** | **-** | **35,003.71** |
| Profit for the year | - | - | 2,956.17 | - | 2,956.17 |
| Other Comprehensive Income for the year | - | - | (19.22) | - | (19.22) |
| **Total Comprehensive Income for the year** | **-** | **-** | **2,936.95** | **-** | **2,936.95** |
| Issue of Prefrential Share Warrants | - | - | - | 2,115.00 | 2,115.00 |
| Dividends (Refer Note 13.2) | - | - | (180.52) | - | (180.52) |
| Dividend Distribution Tax (Refer Note 13.2) | - | - | (37.11) | - | (37.11) |
| **Balance as at March 31, 2020** | **7,690.51** | **890.00** | **29,142.52** | **2,115.00** | **39,838.03** |

**Significant Accounting Policies** 1
**See accompanying notes to the Financial Statements** 2 - 48

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Company Background:

Asian Granito India Limited (the Company) is a public limited company domiciled and incorporated in India under the provisions of Companies Act, 1956. The Equity shares of the company are listed in India on the Bombay Stock Exchange Limited and National Stock Exchange Limited. The registered office of the Company is located at 202, Dev Arc, Opp. Isckon Temple, S.G. Highway, Ahmedabad - 380015. The Company is engaged in manufacturing and trading of Tiles and Marble and allied products.

The financial statements of the company for the year ended on March 31, 2020 were authorized for issue in accordance with a resolution of the Directors on June 30, 2020.

### 1. Statement on Significant Accounting Policies, Key Accounting Estimates and Judgements:

**1.1 Basis for Preparation:**

These financial statements are the standalone financial statements of the Company prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The accounting policies have been applied consistently over all the periods presented in these standalone financial statements.

**1.2 Functional and presentation currency:**

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

**1.3 Key accounting estimates and judgements:**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**1.4 Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**i) Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**ii) Income taxes:**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**iii) Defined Benefit Obligation:**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**iv) Estimates:**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

v) **Estimation of uncertainities relating to the global health pandemic from COVID -19:**

In view of the unprecedented COVID-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. In assessing the recoverability, the Company has considered internal and external information upto the date of approval of these Ind AS financial results and has concluded that there are no material impact on the operations and the financial position of the Company. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

**1.5 Current / Non-Current Classification:**

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**1.6 Summary of Significant accounting policies:**

**a) Property, Plant & Equipment:**

*i) Measurement at recognition:*

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties, borrowing cost, changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets, other non-refundable purchase taxes or levies and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

*ii) Depreciation:*

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method (SLM) Method based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 except following items of Property, Plant and Equipment where company has estimated different useful life:

| Particulars | Useful Life |
|---|---|
| Plant & Machinery | 11 & 15 Years |

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

*iii) Derecognition:*

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

*iv) Capital Work in progress:*

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

### b) Investment Property:

Investment Property is measured initially at cost including related transaction costs.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

### c) Borrowing Costs:

Borrowing cost includes interest, Amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

### d) Impairment of non-financial assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### e) Investment in Subsidiary, Joint Venture & Associate:

The Company has elected to recognize its investments in subsidiaries, joint venture and an associate company at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 4. Impairment policy applicable on such investments is explained in note (d) above.

### f) Inventory:

Raw materials, finished goods, packing materials, stores, spares, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

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

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

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

### g) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets:

*Initial recognition and measurement:*

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

*Subsequent measurement:*

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortised cost.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

*i. Financial assets measured at amortised cost:*

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative Amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the Amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

*ii. Financial assets measured at FVTOCI:*

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

method and impairment losses, if any are recognized in the Statement of Profit and Loss.

*iii. Financial assets measured at FVTPL:*

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

*i. Trade receivables:*

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost less provision for impairment based on expected credit loss.

For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of such receivables.

*ii. Financial assets measured at amortised cost (other than trade receivables)*

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Financial Liabilities

*Initial recognition and measurement:*

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

*Subsequent measurement:*

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative Amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the Amortisation under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

*Derecognition:*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

*Offsetting of Financial Instruments:*

Financial assets and financial liabilities are offset, and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

i) **Revenue Recognition:**

The Company has applied Ind AS 115 - Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods is recognized when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur. Customers have the contractual right to return goods only when authorized by the Company. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

*Interest and dividends:*

Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payment is established.

j) **Income Taxes:**

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

*Current tax:*

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

*Deferred tax:*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

*Presentation of current and deferred tax:*

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case,

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### k) Foreign Currency Transaction & Translation:

*Initial Recognition:*

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

*Measurement of foreign currency items at reporting date:*

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### l) Provision & Contingencies:

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

If the effect of 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### m) Employee Benefits:

*Short Term Employee Benefits:*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

*Post-Employment Benefits:*

*I. Defined Contribution plans:*

Defined contribution plans are employee provident fund, employee state insurance scheme and Government administered pension fund scheme for all applicable employees.

*Recognition and measurement of defined contribution plans:*

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

*II. Defined Benefit plans:*

The Company operates a defined benefit gratuity plan for employees.

*Recognition and measurement of Defined Benefit plans:*

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

*Other Long-Term Employee Benefits:*

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The company determines the liability for such accumulated leave using the projected accrued benefit method with actuarial valuations being carried out at each Balance Sheet date.

### n) Lease Accounting:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective April 1, 2019, the Company adopted Ind AS 116 ""Leases"", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

### Company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer note no. 41, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

### o) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### p) Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### q) Cash Flow Statement:

Cash Flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

### r) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, deposit accounts and term deposits accounts with remaining maturity of three months or less as at balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, deposit accounts and term deposits as defined above and investment in liquid funds for short term purpose.

### s) Events after reporting date:

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 2. Property, Plant and Equipment

(₹ in Lakhs)

| Particulars | Land | Factory Building | Office & Other Building | Plant & Equipment | Furniture & Fixtures | Office Equipment | Vehicles | Computers | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost / Deemed cost** | | | | | | | | | | |
| **As at April 1, 2018** | **4,523.44** | **6,413.64** | **949.25** | **12,043.52** | **1,123.83** | **338.02** | **712.02** | **457.45** | **26,561.17** | **87.31** |
| Additions | - | 23.74 | 1.89 | 1,826.02 | 463.80 | 19.78 | 87.56 | 43.01 | 2,465.80 | - |
| Deductions | - | - | - | (538.64) | - | (1.05) | (94.97) | (5.10) | (639.76) | (87.31) |
| **As at March 31, 2019** | **4,523.44** | **6,437.38** | **951.14** | **13,330.90** | **1,587.63** | **356.75** | **704.61** | **495.36** | **28,387.21** | **-** |
| Additions | - | 64.12 | - | 1602.87 | 159.55 | 45.81 | 81.46 | 55.56 | 2,009.37 | 69.51 |
| Deductions | - | - | - | (38.62) | - | - | (31.52) | (6.50) | (76.64) | - |
| **As at March 31, 2020** | **4,523.44** | **6,501.50** | **951.14** | **14,895.15** | **1,747.18** | **402.56** | **754.55** | **544.42** | **30,319.94** | **69.51** |
| **Accumulated depreciation** | | | | | | | | | | |
| **As at April 1, 2018** | **-** | **407.73** | **21.83** | **1,919.37** | **500.73** | **254.39** | **353.58** | **356.00** | **3,813.63** | **-** |
| Depreciation for the year | - | 206.09 | 13.31 | 1,153.79 | 142.18 | 28.37 | 69.66 | 45.26 | 1,658.66 | - |
| Deductions | - | - | - | (119.12) | - | (0.88) | (24.86) | (3.02) | (147.88) | - |
| **As at March 31, 2019** | **-** | **613.82** | **35.14** | **2,954.04** | **642.91** | **281.88** | **398.38** | **398.24** | **5,324.41** | **-** |
| Depreciation for the year | - | 208.53 | 19.57 | 1029.51 | 120.61 | 26.84 | 59.04 | 47.21 | 1,511.31 | - |
| Deductions | - | - | - | (6.69) | - | - | (11.68) | (4.13) | (22.50) | - |
| **As at March 31, 2020** | **-** | **822.35** | **54.71** | **3,976.86** | **763.52** | **308.72** | **445.74** | **441.32** | **6,813.22** | **-** |
| **Net Block** | | | | | | | | | | |
| **As at March 31, 2020** | **4,523.44** | **5,679.15** | **896.43** | **10,918.29** | **983.66** | **93.84** | **308.81** | **103.10** | **23,506.72** | **69.51** |
| **As at March 31, 2019** | **4,523.44** | **5,823.56** | **916.00** | **10,376.86** | **944.72** | **74.87** | **306.23** | **97.12** | **23,062.80** | **-** |
| **As at April 1, 2018** | **4,523.44** | **6,005.91** | **927.42** | **10,124.15** | **623.10** | **83.63** | **358.44** | **101.45** | **22,747.54** | **87.31** |

**Note:**
For information on Property Plant and Equipment pledged as a security by the Company Refer Note 14.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 2. Right of Use Assets

(₹ in Lakhs)

| Particulars | Office & Other Building |
|---|---|
| **As at April 1, 2019** | - |
| Reclassification on adoption of Ind AS 116 | 1,361.06 |
| **As at March 31, 2020** | **1,361.06** |
| **Accumulated depreciation** | |
| Depreciation for the year | (296.08) |
| **As at March 31, 2020** | **1,064.96** |

Refer Note 41 for related disclosures.

### 3. Investment Property

(₹ in Lakhs)

| Particulars | Free hold-Land |
|---|---|
| **Cost / Deemed cost** | |
| **As at April 1, 2018** | **66.93** |
| Additions | - |
| Deductions | (16.17) |
| **As at March 31, 2019** | **50.76** |
| Additions | - |
| Deductions | - |
| **As at March 31, 2020** | **50.76** |
| **Accumulated depreciation** | |
| **As at April 1, 2018** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2019** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2020** | **-** |
| **Net Block** | |
| **As at March 31, 2020** | **50.76** |
| **As at March 31, 2019** | **50.76** |
| **As at April 1, 2018** | **66.93** |

**Note:**

a) The Company has classified freehold land located at Nandan Vatrika as Investment Property. There are no amounts pertaining to these investment properties recognized in the statement of profit and Loss, since company does not receive any rental Income and does not incur any depreciation or other operating expenses.

b) The Company does not have any contractual obligation to purchase, construct or develop for maintenance or enhancement of investment property.

c) The Company has no restrictions on the realisability of it's investment property.

d) Fair Value of investment property:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Free hold - Land | 50.76 | 50.76 |
| **Total** | **50.76** | **50.76** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 4. Investments

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Investments** | | |
| Investment in Equity Instruments of Subsidiaries | 2,787.41 | 3,581.53 |
| Investment in Equity Instruments of Joint Venture | - | 941.65 |
| Investment in Equity Instruments of Associate | 877.50 | 877.50 |
| **Total** | **3,664.91** | **5,400.68** |

(₹ in Lakhs)

| Particulars | Face Value | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares | ₹ | No. of Shares | ₹ |
| **Investments in Equity Instruments** | | | | | |
| **(measured at cost, Refer Note 31)** | | | | | |
| **A) Quoted** | | | | | |
| **i) Associate** | | | | | |
| Astron Paper & Board Mill Limited | 10 | 87,75,000 | 877.50 | 87,75,000 | 877.50 |
| **Total (A)** | | | **877.50** | | **877.50** |
| **B) Unquoted** | | | | | |
| **i) Subsidiaries** | | | | | |
| AGL Industries Limited | 10 | 18,76,000 | 187.60 | 18,76,000 | 187.60 |
| Amazoone Ceramics Limited | 10 | 2,06,20,332 | 1,019.81 | 2,06,20,332 | 1,019.81 |
| Camrola Quartz Limited (Refer Note (a)) | 10 | - | - | 33,92,368 | 794.12 |
| Crystal Ceramic Industries Private Limited | 10 | 2,82,09,734 | 1,580.00 | 2,82,09,734 | 1,580.00 |
| **Sub Total (i)** | | | **2,787.41** | | **3,581.53** |
| **ii) Joint Venture** | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) (Refer Note (b)) | 10 | - | - | 94,16,500 | 941.65 |
| **Sub Total (ii)** | | | - | | **941.65** |
| **Total (B) (i + ii)** | | | **2,787.41** | | **4,523.18** |
| **Grand Total (A + B)** | | | **3,664.91** | | **5,400.68** |

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Book Value | Market Value | Book Value | Market Value |
| Total Quoted Investments | 877.50 | 2,364.86 | 877.50 | 8,985.60 |
| Total Unquoted Investments | 2,787.41 | - | 4,523.18 | - |

**Note:**

**a. Subsidiaries**

The Company has entered in to Joint Venture cum Shareholders Agreement with Paramshree Granito Private Limited, where by the Company was holding 51% of Shares in Camrola Quartz Limited vide agreement dated January 15, 2018. The Board of the Company has approved the termination of Joint Venture cum Shareholders Agreement in its meeting held on February 13, 2020.

Accordingly the Joint Venture cum Shareholders Agreement was terminated and sale of shares Agreement was done by the Company on March 18, 2020 and the transfer of shares also took place on March 18, 2020.

**b. Joint Venture**

The Company had entered into Joint Venture Agreement with Panariagroup Industrie Ceramiche S.p.A. vide JV Agreement dated February 17, 2012. The said JV agreement was terminated by the Company vide Termination Agreement dated May 24, 2019. Consequently the Company has sold equity shares of JV company viz., Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) during the quarter ending on June 30, 2019.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 5. Loans

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Loans to Others | 697.13 | 634.47 |
| **Total** | **697.13** | **634.47** |
| **Breakup:** | | |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 697.13 | 634.47 |
| Loans which have significant increase in credit risk | - | - |
| Loans - Credit impaired | - | - |
| Less: Allowance for doubtful Loans | - | - |
| **Total** | **697.13** | **634.47** |
| **Current** | | |
| Loans to Related Parties (Refer Note 37) | 1,334.61 | 1,079.81 |
| Loans and Advances to Employees | 20.23 | 3.35 |
| Loans to Others | 136.43 | 189.93 |
| **Total** | **1,491.27** | **1,273.09** |
| **Breakup:** | | |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 1,491.27 | 1,273.09 |
| Loans which have significant increase in credit risk | - | - |
| Loans - Credit impaired | - | - |
| Less: Allowance for doubtful Loans | - | - |
| **Total** | **1,491.27** | **1,273.09** |

### 6. Other Financial Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Security and Other Deposits | 64.39 | 63.91 |
| In Term Deposit Accounts with original maturity more than 12 months | 10.54 | 13.87 |
| **Total** | **74.93** | **77.78** |
| **Current** | | |
| Export Incentive Receivables | 703.20 | 369.11 |
| Insurance Claim Receivables | 14.97 | 50.44 |
| Security and Other Deposits | 126.58 | 141.28 |
| Others | 847.95 | - |
| **Total** | **1,692.70** | **560.83** |

### 7. Other Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Payment under Protest | 962.38 | 887.60 |
| **Total** | **962.38** | **887.60** |
| **Current** | | |
| Balances with Government Authorities | 433.05 | 206.16 |
| Advances to Vendors | 2,066.09 | 455.80 |
| Prepaid Expenses | 79.04 | 92.39 |
| **Total** | **2,578.18** | **754.35** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 8. Non-Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-Current Tax Assets (Net) | - | 127.96 |
| **Total** | **-** | **127.96** |

## 9. Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Raw Material | 3,543.29 | 3,747.45 |
| Semi-Finished Goods | - | 19.85 |
| Work-in-Progress | 1,749.25 | 2,370.83 |
| Finished Goods | 10,146.26 | 11,102.61 |
| Stock in Trade | 2,262.46 | 1,564.39 |
| Stores, Spares, Fuel & Consumables | 2,406.83 | 2,479.99 |
| Packing Materials | 159.22 | 216.11 |
| **Total** | **20,267.31** | **21,501.23** |

## 10. Trade Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Receivables from Others | 32,755.79 | 31,992.33 |
| Receivables from Related Parties (Refer Note 37) | 842.58 | 1,059.96 |
| **Total** | **33,598.37** | **33,052.29** |
| **Breakup:** | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 33,598.37 | 33,052.29 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - Credit impaired | 850.25 | 684.76 |
| Less: Allowance for Expected Credit Loss | (850.25) | (684.76) |
| **Total** | **33,598.37** | **33,052.29** |

## 11. Cash and Bank Balances

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Cash on Hand | 7.34 | 21.34 |
| Balances with Banks | | |
| In Current Accounts | 223.69 | 2,524.85 |
| In Term Deposit Accounts with Original Maturity of less than 3 months | - | 6.93 |
| **Total** | **231.03** | **2,553.12** |
| **Other Balances with Banks** | | |
| Unpaid Dividend | 1.79 | 1.91 |
| In Term Deposit Accounts with Original Maturity more than 3 months but less than 12 months* | 346.50 | 221.77 |
| **Total** | **348.29** | **223.68** |

*It includes deposits given to bank for margin requirements against Bank Guarantee and Letter of Credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 12. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorized** | | |
| 3,62,50,000 Equity Shares of ₹ 10/- each | 3,625.00 | 3,625.00 |
| (P.Y. 3,62,50,000) Equity Shares of ₹ 10 Each | | |
| **Issued, Subscribed and Paid up** | | |
| 3,00,87,446 Equity Shares of ₹ 10/- Each fully Paid up | 3,008.74 | 3,008.74 |
| (P.Y. 3,00,87,446) Equity Shares of ₹ 10 Each | | |
| **Total** | **3,008.74** | **3,008.74** |

**12.1** Reconciliation of shares outstanding at the end of the year

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| At the beginning of the year | 3,00,87,446 | 3,008.74 | 3,00,87,446 | 3,008.74 |
| Add: Issued during the year | - | - | - | - |
| **At the end of the year** | **3,00,87,446** | **3,008.74** | **3,00,87,446** | **3,008.74** |

**12.2** Terms/Rights attached to Equity shares

The Company has one class of shares referred to as Equity shares having face value of ₹ 10.

(a) Equity Shares

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts and Preference shares. The distribution will be in proportion to the number of Equity shares held by the Shareholders. Each holder of Equity shares is entitled to one vote per share.

(b) Dividend

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

**12.3 Details of Shareholders holding more than 5% of Equity shares**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Kamleshbhai B Patel | 37,23,741 | 12.38% | 35,64,555 | 11.85% |
| Mukeshbhai J patel | 22,99,174 | 7.64% | 21,60,011 | 7.18% |
| Sureshbhai J Patel | 15,43,534 | 5.13% | 15,43,534 | 5.13% |
| Donroy Ceramics LLP | - | - | 16,48,715 | 5.48% |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 13. Other Equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | Preferential Share Warrants | Total |
|---|---|---|---|---|---|
| | Security Premium | General Reserve | Retained Earnings | | |
| **Balance as at April 1, 2018** | **7,690.51** | **890.00** | **26,198.18** | **-** | **34,778.69** |
| Profit for the year | - | - | 730.64 | - | 730.64 |
| Other Comprehensive Income for the year | - | - | (34.08) | - | (34.08) |
| **Total Comprehensive Income for the year** | **-** | **-** | **696.56** | **-** | **696.56** |
| Dividends (Refer Note 13.2) | - | - | (391.14) | - | (391.14) |
| Dividend Distribution Tax (Refer Note 13.2) | - | - | (80.40) | - | (80.40) |
| **Balance as at March 31, 2019** | **7,690.51** | **890.00** | **26,423.20** | **-** | **35,003.71** |
| Profit for the year | - | - | 2,956.17 | - | 2,956.17 |
| Other Comprehensive Income for the year | - | - | (19.22) | - | (19.22) |
| **Total Comprehensive Income for the year** | **-** | **-** | **2,936.95** | **-** | **2,936.95** |
| Issue of Prefrential Share Warrants | - | - | - | 2,115.00 | 2,115.00 |
| Dividends (Refer Note 13.2) | - | - | (180.52) | - | (180.52) |
| Dividend Distribution Tax (Refer Note 13.2) | - | - | (37.11) | - | (37.11) |
| **Balance as at March 31, 2020** | **7,690.51** | **890.00** | **29,142.52** | **2,115.00** | **39,838.03** |

### 13.1 Nature and purpose of other reserves:

**(a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**(b) General Reserve**

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

**(c) Retained Earnings**

The amount of retained earning includes the component of other comprehensive income, which cannot be distributed by the Company as dividends to its equity shareholders. Balance amount is available for distribution to equity share holders.

**(d) Preferential Share Warrants**

After receiving in principal approval from the Stock Exchanges and from Shareholders, the Company has offered and allotted 47,00,000 "Fully Convertible Warrants" at price of ₹ 180/- each (at a face value of ₹ 10/- each and Premium of ₹ 170/- Per Convertible Warrant) in one or more tranches for the below objective:

i) To fund long term capital requirements for future growth of the Company;

ii) To meet working capital requirement and reducing debts; and

iii) To meet General Corporate Purpose.

The 25% of ₹ 180/- i.e. ₹ 45/- per convertible warrant (₹ 45/- * 47,00,000 convertible warrants) = ₹ 2,115 Lakhs have been received during the current financial year and remaining 75% balance amounting to ₹ 6,345 Lakhs will be received within 18 months from the date of allotment."

### 13.2 Dividend:

The Board of Directors at its meeting held on June 30, 2020 have recommended a payment of final dividend of ₹ 0.70 [P.Y. ₹ 0.60] per equity share of the face value of ₹ 10 each for the financial year ended March 31, 2020.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 14. Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Borrowings** | | |
| **(measured at amortised cost, Refer Note 31)** | | |
| **Secured** | | |
| Term Loans | | |
| - From Banks | 638.16 | 1,032.86 |
| Buyers credit | - | 240.16 |
| Vehicle loans | 162.82 | 156.01 |
| **Unsecured** | | |
| **Loan** | | |
| - From Directors (Refer Note 37) | - | 75.03 |
| **Sub-Total (A)** | **800.98** | **1,504.06** |
| **Current Maturities of Borrowings** | | |
| **Secured** | | |
| Term loan from banks | 374.01 | 533.51 |
| Buyers credit | - | 240.16 |
| Vehicle loans | 51.84 | 40.07 |
| **Sub-Total (B)** | **425.85** | **813.74** |
| **Total (A-B)** | **375.13** | **690.32** |
| **Current Borrowings** | | |
| **(measured at amortised cost, Refer Note 31)** | | |
| **Secured** | | |
| Working Capital facilities from banks | 15,713.41 | 14,703.69 |
| **Total** | **15,713.41** | **14,703.69** |

a) Term Loan ₹ 638.16 Lakhs are secured by way of:

i) First Pari Passu charge over entire fixed assets (movable & immovable), plant & machinery of the Company, including Factory Land & Buildings bearing Survey Number : 160, 147-A & 162 (Dalpur), 16 (Jawanpura) & 204/1 (Vanku), situated at Dalpur, Jawanpura & vanku, 30000, (Semi Urban), Admeasuring Total Area : 256725.

ii) First and exclusive registered mortgage charge on immovable properties being commercial property located at Unit 202, 203 Dev Arc, Opposite Iskon Temple, Ahmedabad, Gujarat - 380015 and non-agriculture land including present and future super-structures built on it, located at S No 489, Hissa No 1 & S No 489 Hissa No 2 paiki, block no 370, Village Gota, Tal. Dascroi, District Ahmedabad belonging to AGL Infrastructure Private Limited.

b) Working capital loans of ₹ 15,713.41 Lakhs are secured by way of hypothecation over current assets including raw materials, stock in process, finished goods, stores and spares, receivable and other current assets of vitrified/wall/marble division (Dalpur unit) and Ceramic division (Idar unit) of the Company.

c) Vehicle loans of ₹ 162.82 Lakhs are secured by hypothecation of vehicles in favour of Bank. Each Vehicle loans consist of 60 equated monthly installments from the date of disbursement.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### Maturity Profile and Rate of Interest of Term Loans

(₹ in Lakhs)

| Type of Loan | Terms of Repayment | Maturity | Rate of Interest | No. of Installments | Outstanding at March 31, 2020 |
|---|---|---|---|---|---|
| SBI - Term loan | Quarterly | December 2020 | 12.05% | 9 | 139.11 |
| IndusInd - Term loan | Quarterly | December 2021 | 10.55% | 21 | 163.50 |
| Kotak - Term loan | Monthly | July 2022 | 9.30% | 28 | 335.55 |

## 15. Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| **Provision for Employee Benefits** | | |
| Provision for Gratuity (Refer Note 36) | 193.44 | 127.57 |
| Provision for Leave Encashment | 108.68 | 83.03 |
| **Total** | **302.12** | **210.60** |
| **Current** | | |
| **Provision for Employee Benefits** | | |
| Provision for Gratuity (Refer Note 36) | 75.00 | 77.80 |
| Provision for Leave Encashment | 11.70 | 10.29 |
| Provision for Others | 226.00 | 197.83 |
| **Total** | **312.70** | **285.92** |

## 16. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) Deferred Tax Liabilities | 2,460.97 | 2,570.31 |
| ii) Deferred Tax Assets | 657.85 | 343.86 |
| **Total (i - ii)** | **1,803.12** | **2,226.45** |

## 16.1. Movements in Deferred Tax

(₹ in Lakhs)

| Particulars | As at April 1, 2018 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | As at March 31, 2019 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | As at March 31, 2020 |
|---|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | | |
| Property, Plant & Equipment | 2,355.22 | 212.67 | - | 2,567.89 | (374.97) | - | 2,192.92 |
| Processing Fees | 2.42 | - | - | 2.42 | (2.42) | - | - |
| Right of Use Assets | - | - | - | - | 268.05 | - | 268.05 |
| **Sub Total (A)** | **2,357.64** | **212.67** | **-** | **2,570.31** | **(109.34)** | **-** | **2,460.97** |
| **Deferred Tax Assets** | | | | | | | |
| Provision for Employee Benefits | 148.68 | (62.41) | 18.31 | 104.58 | 42.48 | 6.47 | 153.53 |
| Provision for Expected Credit Loss | 179.94 | 59.34 | - | 239.28 | (25.27) | - | 214.01 |
| Deferral of Revenue | 7.78 | (7.78) | - | - | - | - | - |
| Investment Property | 5.82 | (5.82) | - | - | - | - | - |
| MAT Credit | - | - | - | - | - | - | - |
| Others | 3.76 | (3.76) | - | - | - | - | - |
| Lease Liabilities | - | - | - | - | 283.57 | - | 283.57 |
| Rent / Leases Deposit | - | - | - | - | 6.74 | - | 6.74 |
| **Sub Total (B)** | **345.98** | **(20.43)** | **18.31** | **343.86** | **307.52** | **6.47** | **657.85** |
| **Deferred Tax (Net) (A - B)** | **2,011.66** | **233.10** | **(18.31)** | **2,226.45** | **(416.86)** | **(6.47)** | **1,803.12** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 16.2. Reconciliation of tax expenses and the profit before tax multiplied by India's tax rate:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Profit before tax | **3705.85** | **1,204.10** |
| **Tax expenses at Statutory rate of 25.17% (P.Y. 34.944%)** | **932.76** | **420.76** |
| Expense not allowed as Deduction | 47.32 | 183.42 |
| Expense allowed as Deduction | - | (18.26) |
| Adjustment of tax expense relating to earlier periods | 214.06 | (112.45) |
| Tax on Income at different rates | (406.43) | - |
| Others | (38.03) | - |
| **Total Tax Expense** | **749.68** | **473.47** |
| **Effective Tax Rate** | **20.23%** | **39.32%** |

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision of Income Tax for the year ended March 31, 2020 and re-measured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

### 17. Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Due to Micro and Small enterprises (Refer Note 40) | 79.93 | 538.74 |
| Due to Others (Including Acceptances)* | 21,444.83 | 22,338.13 |
| Due to Related Parties (Refer Note 37) | 2,824.42 | 6,458.82 |
| **Total** | **24,349.18** | **29,335.69** |

* Acceptances includes arrangement where operational suppliers of goods are initially paid by banks while the Company continue to recognize the liability till settlement with banks which are normally affected within a period of 90 days.

### 18. Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current** | | |
| Current Maturities of Non-current Borrowings (Refer Note 14) | 425.85 | 813.74 |
| Trade Deposits | 1,382.20 | 1,227.70 |
| Unclaimed Dividend* | 1.79 | 1.91 |
| Payable to Employees | 582.85 | 459.83 |
| **Total** | **2,392.69** | **2,503.18** |

* These figures do not include any such amount to be credited to Investor Education and Protection Fund (IEPF).

### 19. Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current** | | |
| Advance Received from Customers | 926.69 | 1,483.52 |
| Statutory Liabilities | - | 585.14 |
| Others | 142.83 | 123.68 |
| **Total** | **1,069.52** | **2,192.34** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 20. Current Tax Liability (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Current Tax Liabilities (Net) | 7.17 | - |
| **Total** | **7.17** | **-** |

## 21. Revenue From Operations

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Sale of Products** | **1,00,607.61** | **1,00,060.42** |
| **Other Operating Revenues** | | |
| Export Incentives | 627.75 | 335.53 |
| Wind Mill Power Generation | 87.29 | 87.14 |
| Job Work | - | 26.82 |
| | **715.04** | **449.49** |
| **Total** | **1,01,322.65** | **1,00,509.91** |

**Disaggregation of revenue**

**Revenue based on Geography**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| In India | 84,599.43 | 88,539.89 |
| Outside India | 16,008.18 | 11,520.53 |
| **Total** | **1,00,607.61** | **1,00,060.42** |

**Reconciliation of Revenue from operations with contract price**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue as per contract price | 1,01,014.66 | 1,00,448.19 |
| Less: Discounts | (407.05) | (387.77) |
| **Revenue as per profit and loss** | **1,00,607.61** | **1,00,060.42** |

## 22. Other Income

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest Income from:** | | |
| - Loans to subsidiaries and associate (Refer Note 37) | 109.45 | 135.82 |
| - Term deposits | 19.23 | 19.10 |
| - Others | 223.52 | 214.21 |
| **Sub-Total (A)** | **352.20** | **369.13** |
| **Rental Income** | 39.24 | 36.69 |
| **Sub-Total (B)** | **39.24** | **36.69** |
| **Other Gains** | | |
| (Gain) on Account of Derecognition of Subsidiary (Refer Note 4 and 37) | 308.40 | - |
| **Sub-Total (C)** | **308.40** | **-** |
| **Others** | 0.33 | 27.37 |
| **Sub-Total (D)** | **0.33** | **27.37** |
| **Total (A+B+C+D)** | **700.17** | **433.19** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 23. Cost of Material Consumed

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Glaze, Frits and Chemicals & Others | 16,103.51 | 19,135.66 |
| Packing Materials | 1,262.34 | 1,287.06 |
| Semi Finished Material Consumed | 19.85 | 87.57 |
| **Total** | **17,385.70** | **20,510.29** |

## 24. Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Finished Goods | 11,102.61 | 11,102.97 |
| Work-in-Progress | 2,370.83 | 1,752.91 |
| Stock-in-Trade | 1,564.39 | 696.48 |
| **Total (A)** | **15,037.83** | **13,552.36** |
| **Inventories at the end of the year** | | |
| Finished Goods | 10,146.26 | 11,102.61 |
| Work-in-Progress | 1,749.25 | 2,370.83 |
| Stock-in-Trade | 2,262.46 | 1,564.39 |
| **Total (B)** | **14,157.97** | **15,037.83** |
| **Total of Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress (A - B)** | **879.86** | **(1485.47)** |

## 25. Employee Benefits Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries and Wages (Incl. Managerial Remuneration) (Refer Note 37) | 7,739.58 | 7,496.25 |
| Contribution to Provident and Other Funds | 362.54 | 344.69 |
| Staff Welfare Expenses | 49.56 | 57.78 |
| **Total** | **8,151.68** | **7,898.72** |

## 26. Finance Costs

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest Expenses on: | | |
| - Term Loans | 74.53 | 119.48 |
| - Working Capital Facilities | 1,624.43 | 1,445.39 |
| - Others | 176.34 | 112.41 |
| Other Borrowing Costs | 145.19 | 170.38 |
| **Total** | **2,020.49** | **1,847.66** |

## 27. Depreciation And Amortisation Expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Depreciation Expense on Property, Plant and Equipment | 1,511.31 | 1,658.66 |
| Depreciation Expense on Right of Use Assets | 296.08 | - |
| **Total** | **1,807.39** | **1,658.66** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 28. Power & Fuel Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consumption of Gas & Fuel | 4,877.16 | 7,185.96 |
| Power Expense | 2,187.37 | 2,798.66 |
| **Total** | **7,064.53** | **9,984.62** |

## 29. Other Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consumption of Stores & Spares | 1,436.80 | 1,967.72 |
| Other Manufacturing Expense | 950.18 | 1,091.18 |
| Rent, Rates & Taxes | 413.97 | 522.56 |
| Repairs & Maintenance | | |
| - To Plant & Machineries | 93.17 | 74.24 |
| - To Buildings | 28.32 | 40.43 |
| - To Vehicles | 23.54 | 23.70 |
| - To Others | 99.76 | 71.24 |
| Communication Expenses | 112.34 | 156.11 |
| Printing & Stationery | 9.47 | 13.09 |
| Legal & Professional | 162.28 | 281.09 |
| Auditor's Remuneration (Refer Note 30) | 15.00 | 12.49 |
| Directors' Sitting Fees | 5.10 | 6.30 |
| Directors' Travelling | 10.93 | 12.76 |
| Travelling & Conveyance | 1,187.31 | 1,258.09 |
| Advertisement Expense | 1,443.14 | 1,926.85 |
| Other Selling & Distribution Expense | 3,936.05 | 4,428.08 |
| Allowance for Expected Credit Loss | 165.49 | 169.83 |
| Sundry Balance Written off | (41.62) | 101.73 |
| Donation | 7.57 | 29.13 |
| Loss on Sale of Property, Plant & Equipment (Net) | 4.15 | 122.97 |
| Corporate Social Responsibility (Refer Note 32) | 68.22 | 75.39 |
| Miscellaneous Expenses | 236.96 | 222.00 |
| Net Foreign Exchange (Gain) / Loss | (493.41) | (286.47) |
| **Total** | **9,874.72** | **12,320.51** |

## 30. Payment to Auditors (Excluding Taxes)

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Statutory Audit Fees | 10.00 | 9.00 |
| Certification Fees and Other Services | 5.00 | 3.49 |
| **Total** | **15.00** | **12.49** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 31. Fair Value Measurements

**a. Accounting classification and fair values**

**As at March 31, 2020**

(₹ in Lakhs)

| Particulars | Carrying Value | | | Fair Value | | | Total |
|---|---|---|---|---|---|---|---|
| | At Cost | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | |
| Investments (Note i) | 3,664.91 | - | 3,664.91 | - | - | - | - |
| Loans | - | 2,188.40 | 2,188.40 | - | - | - | - |
| Trade Receivables | - | 33,598.37 | 33,598.37 | - | - | - | - |
| Cash and Cash Equivalents | - | 231.03 | 231.03 | - | - | - | - |
| Other Bank Balances | - | 348.29 | 348.29 | - | - | - | - |
| Other Financial Assets | - | 1,767.63 | 1,767.63 | - | - | - | - |
| **Total Financial Assets** | **3,664.91** | **38,133.72** | **41,798.63** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| Borrowings (Incl. Current Maturities) | - | 16,514.39 | 16,514.39 | - | - | - | - |
| Lease Liabilities (Incl. Current Lease Liabilities) | - | 1,126.64 | 1,126.64 | - | - | - | - |
| Trade Payables | - | 24,349.18 | 24,349.18 | - | - | - | - |
| Other Financial Liabilities | - | 1,966.84 | 1,966.84 | - | - | - | - |
| **Total Financial Liabilities** | **-** | **43,957.05** | **43,957.05** | **-** | **-** | **-** | **-** |

**As at March 31, 2019**

(₹ in Lakhs)

| Particulars | Carrying Value | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|
| | At Cost | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Investments (Note i) | 5,400.68 | - | 5,400.68 | - | - | - | - |
| Loans | - | 1,907.56 | 1,907.56 | - | - | - | - |
| Trade Receivables | - | 33,052.29 | 33,052.29 | - | - | - | - |
| Cash and Cash Equivalents | - | 2,553.12 | 2,553.12 | - | - | - | - |
| Other Bank Balances | - | 223.68 | 223.68 | - | - | - | - |
| Other Financial Assets | - | 638.61 | 638.61 | - | - | - | - |
| **Total Financial Assets** | **5,400.68** | **38,375.26** | **43,775.94** | **-** | **-** | **-** | **-** |
| | | | | | | | |
| Borrowings (Incl. Current Maturities) | - | 16,207.75 | 16,207.75 | - | - | - | - |
| Trade Payables | - | 29,335.69 | 29,335.69 | - | - | - | - |
| Other Financial Liabilities | - | 1,689.44 | 1,689.44 | - | - | - | - |
| **Total Financial Liabilities** | **-** | **47,232.88** | **47,232.88** | **-** | **-** | **-** | **-** |

**b) Measurement of fair values:**

(i) Investments in Associate, Joint Venture and Subsidiaries:

Investments in Associate, Joint Venture and Subsidiaries have been accounted at cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have been disclosed at cost in the tables above.

(ii) Financial Instrument measured at Amortised Cost:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(iii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of 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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(iv) There have been no transfers between Level 1 and Level 2 during the years.

### 32. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, the Company has spent required amount of ₹ 68.22 Lakhs (2018-19: ₹ 75.39 Lakhs) during the current financial year. The details of amount spent are as under:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Education | 66.87 | 75.39 |
| Others | 1.35 | - |
| **Total** | **68.22** | **75.39** |

### 33. Earnings Per Share

(₹ in Lakhs)

| Particulars | Units | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Basic & Diluted Earning Per Share (EPS)** | | | |
| (a) Profit attributable to equity shareholders of the Company | (₹ in Lakhs) | 2,956.17 | 730.64 |
| (b) Weighted average number of equity shares | (in Nos.) | 3,00,87,446 | 3,00,87,446 |
| (c) Earning per Share (Basic and Diluted) | ₹ | 9.83 | 2.43 |
| (d) Face value per Share | ₹ | 10.00 | 10.00 |

### 34. Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of the Company monitors the risk as per risk management policy. Further The Audit Committee has additional oversight in the area of financial risks and controls.

The following disclosures summarise the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

Within the various methodologies to analyze and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 100-basis points of the interest rate yield curves in major currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 5%.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at March 31, 2020, approximately 7.72% of the Company's borrowings and other financial liabilities are at fixed rate (March 31, 2019 : 7.07%). Summary of financial assets and financial liabilities has been provided below:

#### Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial Assets | 1,691.65 | 1,322.38 |
| Financial Liabilities | 1,382.20 | 1,227.70 |
| **Variable-rate instruments** | | |
| Financial Assets | - | - |
| Financial Liabilities | 16,514.39 | 16,132.72 |

#### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

#### Impact on Profit / (loss) after tax

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Increase in 100 basis points | (123.58) | (104.95) |
| Decrease in 100 basis points | 123.58 | 104.95 |

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in foreign currencies (primarily USD and EUR). Consequently, the Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk (based on notional amounts) is as follows:

(Amount in FCY)

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | USD | EUR | USD | EUR |
| **Financial Assets** | | | | |
| Trade receivables | 46,69,539 | - | 38,62,506 | - |
| Other Bank Balances | 1,86,129 | - | - | - |
| **Total (A)** | **48,55,668** | **-** | **38,62,506** | **-** |
| **Financial Liabilities** | | | | |
| Trade payables | 4,77,967 | 3,17,968 | 16,91,819 | 3,81,446 |
| Other Financial Liabilities | - | 28,019 | 3,47,200 | - |
| **Total (B)** | **4,77,967** | **3,45,987** | **20,39,019** | **3,81,446** |
| **Net exposure to foreign currency (A-B)** | **43,77,701** | **(3,45,987)** | **18,23,487** | **(3,81,446)** |

The following significant exchange rates have been applied during the year.

| Particulars | Average rate | | Year-end spot rate | |
|---|---|---|---|---|
| | Year Ended March 31, 2020 | Year Ended March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| USD 1 | 72.28 | 67.11 | 75.39 | 69.17 |
| EUR 1 | 80.38 | 79.16 | 83.05 | 77.70 |

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

| Particulars | USD | | | EUR | | |
|---|---|---|---|---|---|---|
| | Change in exchange rate | Profit / (loss) before tax | Equity (net of tax) | Change in exchange rate | Profit / (loss) before tax | Equity (net of tax) |
| **March 31, 2020** | | | | | | |
| Strengthening | 5% | 158.21 | 118.39 | 5% | (13.90) | (10.40) |
| Weakening | | (158.21) | (118.39) | | 13.90 | 10.40 |
| **March 31, 2019** | | | | | | |
| Strengthening | 5% | 61.18 | 39.80 | 5% | (15.10) | (9.87) |
| Weakening | | (61.18) | (39.80) | | 15.10 | 9.87 |

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management.

### Other financial assets

This comprises mainly of deposits with banks and other intercompany receivables. Credit risk arising from these financial assets is limited.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. 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.

The Company has used practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates used in the provision matrix. In calculating expected credit loss, the Company has also considered credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

### Reconciliation of loss allowance provision – Trade receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Loss allowance as at beginning of the year | 684.76 | 514.93 |
| Changes in Loss allowance | 165.49 | 169.83 |
| Loss allowances as at end of the year | **850.25** | **684.76** |

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimized cost.

The table below analysis non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

(₹ in Lakhs)

| Particulars | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| **As at March 31, 2020** | | | | |
| **Financial Liabilities** | | | | |
| Borrowings (Incl. Current Maturities) | 16,514.39 | 16,139.26 | 375.13 | 16,514.39 |
| Lease Liabilities (Incl. Current Lease Liabilities) | 1,126.64 | 312.37 | 814.27 | 1,126.64 |
| Trade Payables | 24,349.18 | 24,349.18 | - | 24,349.18 |
| Other Financial Liabilities | 1,966.84 | 1,966.84 | - | 1,966.84 |
| **Total** | **43,957.05** | **42,767.65** | **1,189.40** | **43,957.05** |
| **As at March 31, 2019** | | | | |
| **Financial Liabilities** | | | | |
| Borrowings (Incl. Current Maturities) | 16,207.75 | 15,517.43 | 690.32 | 16,207.75 |
| Trade Payables | 29,335.69 | 29,335.69 | - | 29,335.69 |
| Other Financial Liabilities | 1,689.44 | 1,689.44 | - | 1,689.44 |
| **Total** | **47,232.88** | **46,542.56** | **690.32** | **47,232.88** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 35. Capital management:

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. The Company's policy is to keep the net debt to equity ratio below 2. The Company includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Interest-bearing Borrowings (Incl. Current Maturity)(Note 14) | 16,514.39 | 16,132.72 |
| Less: Cash and Cash Equivalents (Note 11) | (579.32) | (2,776.80) |
| **Adjusted Net Debt** | **15,935.07** | **13,355.92** |
| Equity Share Capital (Note 12) | 3,008.74 | 3,008.74 |
| Other Equity (Note 13) | 39,838.03 | 35,003.71 |
| **Total Equity** | **42,846.77** | **38,012.45** |
| **Adjusted net debt to total equity ratio** | **0.37** | **0.35** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

### 36. Employee Benefits

**a) Defined contribution plans:**

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

**Details of amount recognized as expenses during the year:**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contribution to Provident Fund | 233.79 | 227.97 |
| **Total** | **233.79** | **227.97** |

**b) Defined benefit plan:**

The Company has defined benefit gratuity plan for its employees. The employee who has completed five years or more of service is entitled to gratuity on termination of his employment at 15 days last drawn salary for each completed year of service. The scheme is funded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by Ind AS - 19. Gratuity has been recognized in the financial statement as per details given below:

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Interest risk:

A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

### Longevity risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2020.

### (i) Reconciliation in present value of defined benefit obligation:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Defined benefit obligations as at beginning of the year | 388.46 | 302.38 |
| Current service cost | 99.56 | 85.22 |
| Past service cost | - | - |
| Interest cost | 29.56 | 21.08 |
| Actuarial (Gains)/Losses | 22.31 | 49.56 |
| Benefits paid | (48.88) | (69.78) |
| **Defined benefit obligations as at end of the year** | **491.01** | **388.46** |

### (ii) Reconciliation change in fair value of plan assets:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Fair Value of Plan Assets at the beginning of the year | 183.09 | 167.95 |
| Interest Income | 13.93 | 13.32 |
| Contribution by Employer | 77.80 | 77.00 |
| Benefits paid from the fund | (48.88) | (69.78) |
| Return on Plan Assets, Excluding Interest Income | (3.38) | (5.40) |
| **Fair Value of Plan Assets at the end of the year** | **222.56** | **183.09** |

### (iii) Amount recognized in balance sheet

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| PVO at the end of year | 491.01 | 388.46 |
| Fair value of planned assets at the end of year | (222.56) | (183.09) |
| **Net Liability recognized in the balance sheet** | **268.45** | **205.37** |

### (iv) Amount recognized in Statement of Profit and Loss:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Current service cost | 99.56 | 85.22 |
| Interest cost | 15.63 | 7.76 |
| Past service cost | - | - |
| **Expense recognized** | **115.19** | **92.98** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (v) Amount recognized in Other Comprehensive Income:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Total Actuarial (Gains)/ Losses | 25.69 | 52.39 |

### (vi) Principal assumptions used in determining defined benefit obligations for the Company

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Discount rate (Per Annum) | 6.84% | 7.61% |
| Salary escalation rate (Per Annum) | 4.00% | 4.00% |
| Mortality Rate [as % of Indian Assured Lives Mortality (IALM) (2006-08) Ultimate] | IALM (2006-08) Rates | |
| Normal Retirement Age (In Years) | 58 | 58 |
| Average Future Service (In Years) | 11 | 13.73 |

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Additional Disclosure Items**

### (vii) Category of Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Insurance Fund | 222.56 | 183.09 |

### (viii) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 1 Year | 43.36 | 35.43 |
| Between 2 to 5 Year | 124.78 | 70.02 |
| Between 6 to 10 Year | 231.92 | 163.63 |
| Beyond 10 Years | 590.94 | - |

### (ix) Sensitivity analysis

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Under Base Scenario** | | |
| Salary Escalation - Up by 1 % | 44.28 | 431.92 |
| Salary Escalation - Down by 1% | (39.47) | (350.38) |
| Withdrawal Rates - Up by 1% | 7.05 | 398.97 |
| Withdrawal Rates - Down by 1 % | (8.18) | (376.39) |
| Discount Rates - Up by 1 % | (38.48) | (351.15) |
| Discount Rates - Down by 1 % | 44.29 | 432.20 |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

**Total employee benefit liabilities**

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Provisions** | 15 | | |
| Non Current | | 193.44 | 127.57 |
| Current | | 75.00 | 77.80 |

## 37. Related Party Disclosures:

As per the Ind AS - 24 Related Party Disclosures, the related parties of the Company are as follows :

**(a) Name of the related parties and nature of relationships :**

(i) Subsidiaries

**Subsidiaries of Asian Granito India Limited**

AGL Industries Limited

Crystal Ceramic Industries Private Limited

Amazoone Ceramics Limited

Camrola Quartz Limited (Refer Note 4)

**Subsidiary of AGL Industries Limited**

Powergrace Industries Limited

(ii) Associate:

Astron Paper and Board Mills Limited

(iii) Joint Venture

Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) (Refer Note 4)

(iv) Key Management Personnel (KMP)

| Name | Designation |
|---|---|
| Kamleshbhai Bhagubhai Patel | Chairman & Managing Director |
| Mukeshbhai Jivabhai Patel | Managing Director |
| Sureshbhai Jivabhai Patel | Director |
| Kalidasbhai Jivabhai Patel (Till November 12, 2019) | Chief Finance Officer |
| Amarendra Kumar Gupta (From November 15, 2019) | Chief Finance Officer |
| Bhogibhai Bhikhabhai Patel | Director |
| Kanubhai Bhikhabhai Patel | Director |
| Bhaveshbhai Vinodbhai Patel | Director |
| Renuka A Upadhyay | Company Secretary |

(v) Independent Directors

| | |
|---|---|
| Amrutlal Ishwerlal Patel | Hemendrakumar Chamanlal Shah |
| Premjibhai Ramjibhai Chaudhari | Mukesh Mahendrabhai Shah |
| Indira Nityanandam | Dipti Atulbhai Mehta |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (vi) Relatives of Key Management Personnel (KMP)

| | |
|---|---|
| Hinaben Kamleshbhai Patel | Zalakben Hirenbhai Patel |
| Bhagubhai Punjabhai Patel | Parulben Kanubhai Patel |
| Hiraben Bhagubhai Patel | Sureshbhai Bhikhabhai Patel |
| Rajviben Kuldeepbhai Patel | Asmitaben Bhaveshbhai Patel |
| Kuldeepbhai Rameshbhai Patel | Vinodbhai Lalabhai Patel |
| Bhanuben Mukeshbhai Patel | Vipulbhai Vinodbhai Patel |
| Dhuliben Jivabhai Patel | Alpaben Jagdishbhai Patel |
| Shaunakbhai Mukeshbhai Patel | Bhaveshbhai Bhogibhai Patel |
| Shaliniben Shaunakbhai Patel | Rameshbhai Bhikhabhai Patel |
| Chhayaben Sureshbhai Patel | Ankitaben Kalidasbhai Patel |
| Hirenbhai Sureshbhai Patel | Dimpalben Bhogibhai Patel |

### (vii) Enterprises over which KMP and/or their relatives having significant influence

| | |
|---|---|
| Affil Vitrified Private Limited | AGL Developers |
| Aryan Buildspace LLP | AGL Infrastructure Private Limited |
| Camrola Quartz Limited | |

### (viii) Post employment benefit plan

Asian Granito India Limited Employees Group Gratuity Fund

**(b) Terms and conditions of transactions with related parties**

(i) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

(ii) Rate of Interest to / from related party carries below mentioned rates:

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Loan to:** | | |
| Amazoone Ceramics Ltd | 12.00% | 12.00% |
| Crystal Ceramic Industries Private Limited | 10.00% | 10.00% |
| Camrola Quartz Ltd | 12.00% | 12.00% |

(iii) Financial guarantee given to Bank on behalf of subsidiaries carries no charge and are unsecured.

**(c) Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Kamleshbhai Bhagubhai Patel | 43.58 | 41.38 |
| Mukeshbhai Jivabhai Patel | 35.42 | 33.22 |
| Sureshbhai Jivabhai Patel | 29.64 | 28.51 |
| Bhaveshbhai Vinodbhai Patel | 21.14 | 20.41 |
| Kanubhai Bhikhabhai Patel | 23.30 | 21.23 |
| Bhogibhai Bhikhabhai Patel | 15.87 | 13.84 |
| Renuka A Upadhyay | 15.58 | 15.68 |
| Kalidasbhai Jivabhai Patel (Till November 12, 2019) | 9.04 | 12.53 |
| Amarendra Kumar Gupta (From November 15, 2019) | 15.22 | - |
| **Total compensation paid to key management personnel** | **208.79** | **186.81** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

The following table summarises related-party transactions and balances for the year ended/as at March 31, 2020 and March 31, 2019

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Purchase of Products | 9,874.57 | 12,000.48 | - | - | 3.33 | 2.31 | 4,970.21 | 5,695.69 | - | - |
| Sale of Products | 1,134.01 | 1,325.37 | - | 48.72 | - | 4.31 | - | 2.50 | - | - |
| Sale of Property, Plant & Equipment | - | 141.62 | - | - | - | - | - | - | - | - |
| Quality Complain | 14.07 | 24.51 | - | - | - | - | 6.55 | 8.98 | - | - |
| Interest Received | 109.45 | 135.82 | - | - | - | - | - | - | - | - |
| Rent Received | 20.88 | 0.38 | - | 1.69 | - | - | - | - | 9.95 | 14.08 |
| Rent Paid | 10.00 | 3.00 | - | - | - | - | 15.67 | 18.67 | 0.29 | - |
| Sales Commission Expense | 13.37 | 29.84 | - | - | - | - | - | - | - | - |
| Sales Commission Income | - | 0.07 | - | - | - | - | - | 0.91 | - | - |
| Loan Given | 267.63 | 85.50 | - | - | - | - | - | - | - | - |
| Loan Taken | - | - | - | - | - | - | - | - | - | 134.08 |
| Loan Repaid | - | - | - | - | - | - | - | - | 75.03 | 322.28 |
| Loan Recovered | 111.33 | 820.02 | - | - | - | - | - | - | - | - |
| Deposit Given & Recovered | - | - | - | - | - | - | - | - | 2.76 | - |
| Investment | - | 552.38 | - | - | - | - | - | - | - | - |
| Reimbursement of Exp. | 110.82 | 95.81 | - | - | - | - | 0.35 | 26.65 | - | - |
| Director's Remuneration | - | - | - | - | - | - | - | - | 168.95 | 158.59 |
| Director Sitting Fee | - | - | - | - | - | - | - | - | 5.10 | 6.30 |
| Employee Benefit Exp | - | - | - | - | - | - | - | - | 205.10 | 195.09 |
| Contribution to Gratuity Fund | - | - | - | - | - | - | 77.80 | 77.00 | - | - |
| Disinvestment | 1,102.52 | - | 941.65 | - | - | - | - | - | - | - |
| Gain on Sale of Investment | 308.40 | - | - | - | - | - | - | - | - | - |
| Other Income | - | 29.50 | - | - | - | - | - | - | - | - |
| Purchase of Fixed Assets | - | 32.51 | - | - | - | - | - | - | - | - |
| **Outstanding Balances** | | | | | | | | | | |
| Trade Payable | 2,211.80 | 3,982.12 | - | 28.57 | - | - | 612.62 | 2,448.13 | - | - |
| Trade Receivable | 842.58 | 754.64 | - | 301.80 | - | - | - | - | - | 3.52 |
| Guarantee Given | 16,600.00 | 20,880.00 | - | - | - | - | 4,280.00 | - | - | - |
| Investment **(Refer Note 4)** | 2,787.41 | 3,581.53 | - | 941.65 | 877.50 | 877.50 | - | - | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Deposit | - | - | - | - | - | - | - | - | 2.76 | - |
| Loan Given | 1,334.61 | 1,079.81 | - | - | - | - | - | - | - | - |
| Loan Taken | - | - | - | - | - | - | - | - | - | 75.03 |
| **Transactions During the Period** | | | | | | | | | | |
| **Purchase of Material / Finished Goods** | | | | | | | | | | |
| Amazoone Ceramics Limited | 3,674.93 | 5,416.21 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | 6,198.37 | 6,580.03 | - | - | - | - | - | - | - | - |
| Powergrace Industries Limited | 1.27 | 1.16 | - | - | - | - | - | - | - | - |
| Astron Paper & Board Mill Limited | - | - | - | - | 3.33 | 2.31 | - | - | - | - |
| Camrola Quartz Limited | - | 3.08 | - | - | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | - | 4,970.21 | 5,695.69 | - | - |
| | **9,874.57** | **12,000.48** | **-** | **-** | **3.33** | **2.31** | **4,970.21** | **5,695.69** | **-** | **-** |
| **Sale of Products** | | | | | | | | | | |
| Amazoone Ceramics Limited | 924.69 | 1,249.82 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | 208.77 | 70.42 | - | - | - | - | - | - | - | - |
| Powergrace Industries Limited | 0.15 | - | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | 0.40 | 5.13 | - | - | - | - | - | - | - | - |
| Astron Paper & Board Mill Limited | - | - | - | - | - | 4.31 | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | - | - | 2.50 | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | - | - | 48.72 | - | - | - | - | - | - |
| | **1,134.01** | **1,325.37** | **-** | **48.72** | **-** | **4.31** | **-** | **2.50** | **-** | **-** |
| **Sale of Property, Plant & Equipment** | | | | | | | | | | |
| Crystal Ceramic Industries Private Limited | - | 33.00 | - | - | - | - | - | - | - | - |
| Amazoone Ceramics Limited | - | 108.62 | - | - | - | - | - | - | - | - |
| | **-** | **141.62** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Quality Complain** | | | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | - | - | 6.55 | 8.98 | - | - |
| Amazoone Ceramics Limited | 7.43 | 12.69 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | 6.64 | 11.82 | - | - | - | - | - | - | - | - |
| | **14.07** | **24.51** | **-** | **-** | **-** | **-** | **6.55** | **8.98** | **-** | **-** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Interest Received** | | | | | | | | | | |
| Amazoone Ceramics Limited | 25.26 | 46.10 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | 82.84 | 75.21 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | 1.35 | 14.51 | - | - | - | - | - | - | - | - |
| | **109.45** | **135.82** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Rent Received** | | | | | | | | | | |
| Powergrace Industries Limited | 20.88 | 0.22 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | - | 0.11 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | - | 0.05 | - | - | - | - | - | - | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | - | - | 1.69 | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | 9.95 | 14.08 |
| | **20.88** | **0.38** | **-** | **1.69** | **-** | **-** | **-** | **-** | **9.95** | **14.08** |
| **Rent Paid** | | | | | | | | | | |
| Amazoone Ceramics Limited | 10.00 | 3.00 | - | - | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | - | - | 3.00 | - | - |
| AGL Infrastructure Private Limited | - | - | - | - | - | - | 15.67 | 15.67 | - | - |
| Others | - | - | - | - | - | - | - | - | 0.29 | - |
| | **10.00** | **3.00** | **-** | **-** | **-** | **-** | **15.67** | **18.67** | **0.29** | **-** |
| **Sales Commission Expense** | | | | | | | | | | |
| Amazoone Ceramics Limited | 13.37 | 24.86 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | - | 4.98 | - | - | - | - | - | - | - | - |
| | **13.37** | **29.84** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Sales Commission Income** | | | | | | | | | | |
| Amazoone Ceramics Limited | - | 0.07 | - | - | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | - | | 0.91 | - | - |
| | **-** | **0.07** | **-** | **-** | **-** | **-** | **-** | **0.91** | **-** | **-** |
| **Loan Given** | | | | | | | | | | |
| Amazoone Ceramics Limited | 267.63 | 64.50 | - | - | - | - | - | - | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Crystal Ceramic Industries Private Limited | - | 21.00 | - | - | - | - | - | - | - | - |
| | **267.63** | **85.50** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Loan Taken** | | | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | - | - | - | 52.92 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | - | 29.78 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | - | 22.35 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | - | 11.70 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | - | 17.33 |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **134.08** |
| **Loan Repaid** | | | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | - | - | - | 110.77 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | - | 110.16 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | - | 97.35 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | 38.33 | 4.00 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | 36.70 | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **75.03** | **322.28** |
| **Loan Recovered** | | | | | | | | | | |
| Amazoone Ceramics Limited | - | 485.44 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | 111.33 | 334.58 | - | - | - | - | - | - | - | - |
| | **111.33** | **820.02** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Deposit Given & Recovered** | | | | | | | | | | |
| Shaliniben Shaunak Patel | - | - | - | - | - | - | - | - | 1.38 | - |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | - | - | 1.38 | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2.76** | **-** |
| **Investment** | | | | | | | | | | |
| Amazoone Ceramics Limited | - | 13.26 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | - | 539.12 | - | - | - | - | - | - | - | - |
| | **-** | **552.38** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Reimbursement of Exp.** | | | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | - | - | 0.35 | 19.32 | - | - |
| Crystal Ceramic Industries Private Limited | 26.14 | 16.58 | - | - | - | - | - | - | - | - |
| AGL Infrastructure Private Limited | - | - | - | - | - | - | - | 7.33 | - | - |
| Amazoone Ceramics Limited | 14.45 | - | - | - | - | - | - | - | - | - |
| Powergrace Industries Limited | 70.23 | 79.23 | - | - | - | - | - | - | - | - |
| | **110.82** | **95.81** | - | - | - | - | **0.35** | **26.65** | - | - |
| **Director's Remuneration** | | | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | - | - | 43.58 | 41.38 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | 35.42 | 33.22 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | - | - | 29.64 | 28.51 |
| Bhaveshbhai Vinodbhai Patel | - | - | - | - | - | - | - | - | 21.14 | 20.41 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | 23.30 | 21.23 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | 15.87 | 13.84 |
| | - | - | - | - | - | - | - | - | **168.95** | **158.59** |
| **Director Sitting Fee** | | | | | | | | | | |
| Ajendrakumar Patel | - | - | - | - | - | - | - | - | - | 0.30 |
| Amrutlal Ishwerlal Patel | - | - | - | - | - | - | - | - | 0.30 | 0.40 |
| Premjibhai Ramjibhai Chaudhari | - | - | - | - | - | - | - | - | 1.00 | 0.60 |
| Indira Nityanandam | - | - | - | - | - | - | - | - | 0.30 | 0.40 |
| Hemendrakumar Chamanlal Shah | - | - | - | - | - | - | - | - | 1.75 | 1.60 |
| Satish Yeshwant Deodhar | - | - | - | - | - | - | - | - | - | 1.50 |
| Mukesh Mahendrabhai Shah | - | - | - | - | - | - | - | - | 0.75 | 1.00 |
| Dipti Atulbhai Mehta | - | - | - | - | - | - | - | - | 1.00 | 0.50 |
| | - | - | - | - | - | - | - | - | **5.10** | **6.30** |
| **Employee Benefit Exp** | | | | | | | | | | |
| Others | - | - | - | - | - | - | - | - | 205.10 | 195.09 |
| | - | - | - | - | - | - | - | - | **205.10** | **195.09** |
| **Contribution to Gratuity Fund** | | | | | | | | | | |
| Asian Granito India Limited Employees Group Gratuity Fund | - | - | - | - | - | - | 77.80 | 77.00 | - | - |
| | - | - | - | - | - | - | **77.80** | **77.00** | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Disinvestment** | | | | | | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | - | 941.65 | - | - | - | - | - | - | - |
| Camrola Quartz Limited | 1,102.52 | - | - | - | - | - | - | - | - | - |
| | **1,102.52** | **-** | **941.65** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Gain on Sale of Investment** | | | | | | | | | | |
| Camrola Quartz Limited | 308.40 | - | - | - | - | - | - | - | | |
| | **308.40** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Other Income** | | | | | | | | | | |
| Camrola Quartz Limited. | - | 29.50 | - | - | - | - | - | - | - | - |
| | **-** | **29.50** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Purchase of Fixed Assets** | | | | | | | | | | |
| Crystal Ceramic Industries Private Limited | - | 28.64 | - | - | - | - | - | - | - | - |
| Amazoone Ceramics Limited | - | 0.80 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited. | - | 3.08 | - | - | - | - | - | - | - | - |
| | **-** | **32.51** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Balances as at year end** | | | | | | | | | | |
| **Trade Payable** | | | | | | | | | | |
| Amazoone Ceramics Limited | 1,030.57 | 2,625.19 | - | - | - | - | - | - | - | - |
| Crystal Ceramic Industries Private Limited | 1,181.23 | 1,356.93 | - | - | - | - | - | - | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | - | - | 28.57 | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | - | 586.48 | 2,376.13 | - | - |
| AGL developers | - | - | - | - | - | - | 21.97 | 72.00 | - | - |
| AGL Infrastructure Private Limited. | - | - | - | - | - | - | 4.17 | - | - | - |
| | **2,211.80** | **3,982.12** | **-** | **28.57** | **-** | **-** | **612.62** | **2,448.13** | **-** | **-** |
| **Trade Receivable** | | | | | | | | | | |
| Amazoone Ceramics Limited | 526.33 | 668.34 | - | - | - | - | - | - | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Subsidiaries | | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Crystal Ceramic Industries Private Limited | 217.68 | 65.75 | - | - | - | - | - | - | - | - |
| Powergrace Industries Limited | 98.57 | 12.45 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | | 8.10 | - | - | - | - | - | - | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | - | - | 301.80 | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | 3.52 |
| | **842.58** | **754.64** | - | **301.80** | - | - | - | - | - | **3.52** |
| **Guarantees Given** | | | | | | | | | | |
| Crystal Ceramic Industries Private Limited | 16,600.00 | 16,600.00 | | | - | - | - | - | - | - |
| Camrola Quartz Limited | - | 4,280.00 | - | - | - | - | 4,280.00 | - | - | - |
| | **16,600.00** | **20,880.00** | - | - | - | - | **4,280.00** | - | - | - |
| **Deposit** | | | | | | | | | | |
| Shaliniben Shaunak Patel | - | - | - | - | - | - | - | - | 1.38 | - |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | - | - | 1.38 | - |
| | - | - | - | - | - | - | - | - | **2.76** | - |
| **Loan Given** | | | | | | | | | | |
| Crystal Ceramic Industries Private Limited | 902.96 | 828.41 | - | - | - | - | - | - | - | - |
| Camrola Quartz Limited | - | 110.11 | - | - | - | - | - | - | - | - |
| Amazoone Ceramics Limited | 431.65 | 141.29 | - | - | - | - | - | - | - | - |
| | **1,334.61** | **1,079.81** | - | - | - | - | - | - | - | - |
| **Loan Taken** | | | | | | | | | | |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | | 36.70 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | - | | 38.33 |
| | - | - | - | - | - | - | - | - | - | **75.03** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 38. Contingent Liabilities and Commitments

**I. Contingent liabilities**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(a)** Claims against the Company not acknowledged as debts comprise of | | |
| i) In respect of Pending Income Tax Demands | 1,027.04 | 906.38 |
| ii) In respect of Pending Sales Tax Demands | 1,289.40 | 2,666.31 |
| iii) In respect of Pending Excise Duty claim by DGFT | 167.97 | 167.97 |
| iv) In respect of Pending Excise Duty claim by DGCEI | 2,043.18 | 2,043.18 |
| v) In respect of Pending Consumer/Legal Cases | 41.57 | 37.05 |
| **(b)** Bank guarantees for Performance, Earnest Money & Security Deposits | 2,369.84 | 1,965.95 |
| **(c)** Corporate Guarantee Given on behalf of subsidiaries | 16,600.00 | 20,880.00 |
| **(d)** Corporate Guarantee Given on behalf of others | 4,280.00 | - |
| **Total** | **27,819.00** | **28,666.84** |

**II. Commitments**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Letter of Credit Opened with Banks | 348.64 | 1,196.08 |
| **Total** | **348.64** | **1,196.08** |

The above matters are currently being considered by the tax authorities with various forums and the Company expects the judgement will be in its favour and has therefore, not recognized the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement & decision pending with tax authorities with various forums. The potential undiscounted amount of total payments for taxes that the Company may be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as stated above.

### 39. Regulatory Disclosures

**a) Disclosure as per Regulation 53(F) Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

(₹ in Lakhs)

| Particulars | Relationship | Outstanding amount as at | | Maximum Outstanding balance during the year ended | |
|---|---|---|---|---|---|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Crystal Ceramic Industries Private Limited | Subsidiary | 902.96 | 828.41 | 911.24 | 873.62 |
| Amazoone Ceramics Limited | Subsidiary | 431.65 | 141.29 | 434.18 | 520.74 |
| Camrola Quartz Limited | Subsidiary | - | 110.11 | 110.11 | 481.64 |

The above loan given to subsidiary for its business activities (Refer Note 37).

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**b) Disclosure as per Section 186 of the Companies Act, 2013**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in **Note 4.**

(ii) Details of loans given by the Company are as follows:

| Particulars | Relationship | Rate of Interest (%) | | Loan Given (₹ in Lakhs) | |
|---|---|---|---|---|---|
| | | Year ended March 31, 2020 | Year ended March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Crystal Ceramic Industries Private Limited | Subsidiary | 10% | 10% | 902.96 | 828.41 |
| Amazoone Ceramics Limited | Subsidiary | 12% | 12% | 431.65 | 141.29 |
| Camrola Quartz Limited | Subsidiary | 12% | 12% | - | 110.11 |

(iii) There are guarantees issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder are as below.

(₹ in Lakhs)

| Particulars | Relationship | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Crystal Ceramic Industries Pvt Ltd | Subsidiary | 16,600.00 | 16,600.00 |
| Camrola Quartz Limited | Subsidiary | 4,280.00 | 4,280.00 |

**40.** The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MEMED Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/identified by the Company management:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 1. the principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year | 79.93 | 538.74 |
| 2. the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| 3. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| 4. the amount of interest accrued and remaining unpaid at the end of the year | 4.28 | 2.34 |
| 5. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 41. Leases

**A. Operating lease commitments - Company as lessee**

The Company's lease asset classes primarily consist of leases for Office & Other Building. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 1,064.96 Lakhs and a lease liability of ₹ 1,126.64 Lakhs.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Balance as at April 1, 2019 | - |
| (ii) Reclassification on adoption of Ind AS 116 | 1,361.06 |
| (iii) Depreciation | (296.08) |
| **Total** | **1,064.96** |

The aggregate depreciation expense on ROU assets is included under depreciation and Amortisation expense in the statement of profit and loss.

**The following is the movement in lease liabilities during the year ended March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Recognition on adoption of Ind AS 116 | 1,361.06 |
| (ii) Finance cost accrued during the year | 97.17 |
| (iii) Payment of lease liabilities | (331.59) |
| **Total** | **1,126.64** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**The following is the break-up of current and non-current lease liabilities as at March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Non-current lease liabilities | 814.27 |
| (ii) Current lease liabilities | 312.37 |
| **Total** | **1,126.64** |

**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on discounted basis**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Not later than a year | 312.37 |
| (ii) Later than a year but not later than five year | 673.16 |
| (iii) More than five years | 141.11 |

**The following impact have been given in profit and loss of Ind AS 116 - Leases**

(₹ in Lakhs)

| Changes [Increase / (decrease)] | Year ended March 31, 2020 |
|---|---|
| (i) Depreciation and Amortisation | 296.08 |
| (ii) Finance Cost on Lease Liability | 123.94 |
| (iii) Lease Rent Cost | (331.59) |
| **Profit before tax** | **88.43** |

**B. Operating lease commitments - Company as lessor**

The Company has given various premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 3 years and have no specific obligation for renewal.

## 42. Segment Information

The Company has only one reportable segment viz, Tiles & Marbles as per Ind As 108 - Operating Segment.

**Entity Wide Disclosure**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Operating Assets:** | | |
| In India | 25,654.32 | 24,129.12 |
| Outside India | - | - |
| **Total** | **25,654.32** | **24,129.12** |

**Geographic Information**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Revenue from external customers:** | | |
| In India | 84,599.43 | 88,539.89 |
| Outside India | 16,008.18 | 11,520.53 |
| **Total** | **1,00,607.61** | **1,00,060.42** |

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 43. Disclosure of Significant Interest in Subsidiaries as per Ind AS 27

| Sr. No. | Name of Entities | Relationship | Places of Business | Ownership as at | |
|---|---|---|---|---|---|
| | | | | March 31, 2020 | March 31, 2019 |
| 1 | AGL Industries Limited | Subsidiary | India | 100.00% | 100.00% |
| 2 | Amazoone Ceramics Limited | Subsidiary | India | 95.32% | 95.32% |
| 3 | Camrola Quartz Limited | Subsidiary | India | 0.00% | 51.00% |
| 4 | Powergrace Industries Limited | Step Subsidiary | India | 100.00% | 100.00% |
| 5 | Crystal Ceramic Industries Private Limited | Subsidiary | India | 70.00% | 70.00% |

**44.** During the year, the officials of GST Department conducted search at the Company's Registered Office and Plant offices on December 31, 2019. In this regards, the Company has reversed GST input tax credit (ITC) of ₹ 48.43 Lakhs for goods purchased from the vendor. Management does not expect any further liability in this regard.

**45.** The Company has incorporated Wholly owned subsidiary named AGL Global Trade Private Limited for trading business on March 17, 2020, however till March 31, 2020, the paid up capital was not subscribed due to lockdown.

### 46. In the opinion of Board of Directors

(a) Current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated.

(b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**47.** Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.

**48.** The figures pertaining to previous periods have been regrouped and restated wherever necessary, to make them comparable.

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# INDEPENDENT AUDITOR'S REPORT

**To**
**The Members of**
**Asian Granito India Limited**

## Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of **ASIAN GRANITO INDIA LIMITED** (the "Company") and its subsidiaries, (the Company and its subsidiaries together referred to as the "Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, 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 of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Emphasis of Matter

We draw your attention to Note 1.4 (v) to the Consolidated Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situations, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

## 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 the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **Adoption of Ind AS 116, Leases**<br>Effective April 1, 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognize, measure, present and disclose leases.<br>The standard provides a single lease accounting model, requiring lessees to recognize a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.<br>**The Group has applied Ind AS 116.**<br>We considered the first-time application of the standard as a key audit matter due to the judgments needed in establishing the underlying key assumptions. | **Principal Audit Procedure performed:**<br>• Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116. This includes factors such as lease term, discount rate and measurement principles;<br>• Testing completeness of the lease data, by reconciling the Group's operating lease commitments to the underlying data used in computing the ROU asset and Lease liability;<br>• Examining the Group's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability. |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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 Responsibilities 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:

- 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 omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are incorporate in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Other Matter

1) We have not audited the comparative financial information as at and for the year ended March 31, 2019 included in the accompanying financial statements. The predecessor auditors have expressed an unmodified opinion dated May 28, 2019 on their audit of the comparative financial information. Our opinion to the consolidated financial statement is not modified in respect of the above matter.

2) We did not audit the financial statements / financial information of four subsidiaries whose financial statements / financial information, reflect total assets of ₹ 7789.67 Lakhs as at March 31, 2020, total revenues of ₹ 14312.02 Lakhs, and net cash inflow amounting to ₹ 357.28 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 253.23 Lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of one associate whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of

the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Ac.

(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 Company and subsidiary companies 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 Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **R.R.S. & Associates**

Chartered Accountants
FRN.118336W

**Rajesh R Shah**
(Partner)
Membership No. 034549
UDIN: 20034549AAAAAE6073

Place : Ahmedabad
Date : June 30, 2020

# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Asian Granito India Limited of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **ASIAN GRANITO INDIA LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "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 Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies which are companies incorporated in India.

## Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

## Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company and its subsidiary companies which are companies incorporated in India, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **R.R.S. & Associates**
Chartered Accountants
FRN.118336W

**Rajesh R Shah**
(Partner)
Membership No. 034549
UDIN: 20034549AAAAAE6073

Place : Ahmedabad
Date : June 30, 2020

# CONSOLIDATED BALANCE SHEET

## as at March 31, 2020

(₹ in Lakhs)

| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 2 | 44,830.13 | 46,769.08 |
| (b) Capital Work-in-Progress | 2 | 937.45 | 12.60 |
| (c) Right of Use Assets | 2 | 1,064.96 | - |
| (d) Investment Property | 3 | 50.76 | 50.76 |
| (e) Goodwill | 4 | 331.67 | 331.67 |
| (f) Financial Assets | | | |
| (i) Investments | 5 | 2,878.64 | 2,666.67 |
| (ii) Loans | 6 | 768.04 | 716.22 |
| (iii) Other Financial Assets | 7 | 112.65 | 126.19 |
| (g) Other Non-Current Assets | 8 | 1,463.45 | 890.73 |
| (h) Non-Current Tax Assets (Net) | 9 | - | 127.96 |
| **Total Non-Current Assets** | | **52,437.75** | **51,691.88** |
| **2 Current Assets** | | | |
| (a) Inventories | 10 | 29,175.71 | 30,522.03 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 101.43 | 95.55 |
| (ii) Trade Receivables | 11 | 37,425.41 | 40,020.13 |
| (iii) Cash and Cash Equivalents | 12 | 289.63 | 2,681.31 |
| (iv) Bank Balances other than (iii) above | 12 | 1,027.41 | 636.44 |
| (v) Loans | 6 | 156.94 | 194.30 |
| (vi) Other Financial Assets | 7 | 2,376.11 | 832.38 |
| (c) Other Current Assets | 8 | 2,919.85 | 1,434.10 |
| **Total Current Assets** | | **73,472.49** | **76,416.24** |
| **Total Assets** | | **1,25,910.24** | **1,28,108.12** |
| **II EQUITY AND LIABILITIES** | | | |
| **1 EQUITY** | | | |
| (a) Equity Share Capital | 13 | 3,008.74 | 3,008.74 |
| (b) Other Equity | 14 | 48,727.07 | 42,101.66 |
| **Equity attributable to Owners** | | **51,735.81** | **45,110.40** |
| **Non-Controlling Interest** | 14 | **2,920.40** | **3,612.90** |
| **Total Equity** | | **54,656.21** | **48,723.30** |
| **2 LIABILITIES** | | | |
| **(i) Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 8,086.58 | 9,878.50 |
| (ii) Lease Liabilities | 41 | 814.27 | - |
| (b) Provisions | 16 | 349.39 | 254.16 |
| (c) Deferred Tax Liabilities (Net) | 17 | 2,464.27 | 2,815.67 |
| (d) Other Non-Current Liabilities | 18 | 36.48 | 22.12 |
| **Total Non-Current Liabilities** | | **11,750.99** | **12,970.45** |
| **(ii) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 22,803.61 | 23,498.08 |
| (ii) Lease Liabilities | 41 | 312.37 | - |
| (iii) Trade Payables | 19 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 199.28 | 721.50 |
| Total outstanding dues of creditors otherthan micro enterprises and small enterprises | | 30,822.54 | 32,911.39 |
| (iv) Other Financial Liabilities | 20 | 3,272.13 | 5,577.46 |
| (b) Other Current Liabilities | 18 | 1,593.74 | 3,109.16 |
| (c) Provisions | 16 | 383.60 | 326.67 |
| (d) Current Tax Liabilities (Net) | 21 | 115.77 | 270.11 |
| **Total Current Liabilities** | | **59,503.04** | **66,414.37** |
| **Total Liabilities** | | **71,254.03** | **79,384.82** |
| **Total Equity and Liabilities** | | **1,25,910.24** | **1,28,108.12** |
| **Significant Accounting Policies** | 1 | | |
| **See accompanying notes to the Financial Statements** | 2 - 50 | | |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2020

(₹ in Lakhs)

| | Particulars | Notes | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|---|---|---|---|
| 1 | **Income** | | | |
| | Revenue from Operations | 22 | 1,22,453.47 | 1,18,666.17 |
| | Other Income | 23 | 773.95 | 623.89 |
| | **Total Income** | | **1,23,227.42** | **1,19,290.06** |
| 2 | **Expenses** | | | |
| | Cost of Materials Consumed | 24 | 30,651.36 | 32,681.65 |
| | Purchase of Stock-in-Trade | | 43,059.39 | 36,273.55 |
| | Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 25 | (218.33) | (2530.63) |
| | Employee Benefits Expenses | 26 | 10,849.41 | 10,988.35 |
| | Finance Costs | 27 | 4,000.75 | 3,688.11 |
| | Depreciation and Amortisation Expenses | 28 | 3,077.91 | 2,731.60 |
| | Power & Fuel | 29 | 13,007.68 | 16,668.09 |
| | Other Expenses | 30 | 13,334.17 | 15,931.71 |
| | **Total Expenses** | | **1,17,762.34** | **1,16,432.43** |
| 3 | **Profit before Share of Profit of Associate & Joint Venture (1-2)** | | **5,465.08** | **2,857.63** |
| 4 | **Share in profit of Associate & Joint Venture** | | 253.23 | 432.03 |
| 5 | **Profit before tax (3+4)** | | **5,718.31** | **3,289.66** |
| 6 | **Tax Expense** | | | |
| | (1) Current Tax | | 1,250.10 | 691.00 |
| | (2) Earlier Year Tax | | 222.28 | (111.67) |
| | (3) Deferred Tax | | (358.65) | 404.65 |
| | **Total Tax Expense** | | **1,113.73** | **983.98** |
| 7 | **Profit for the Year (5-6)** | | **4,604.58** | **2,305.68** |
| 8 | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to Profit or Loss** | | | |
| | (i) Remeasurements of defined benefit plans | | (26.86) | (38.92) |
| | (ii) Income tax relating to above items | | 6.33 | 15.90 |
| | **Total Other Comprehensive Income (i + ii)** | | **(20.53)** | **(23.02)** |
| 9 | **Total Comprehensive Income for the Year (7 + 8)** | | **4,584.05** | **2,282.65** |
| | **Profit Attributable to:** | | | |
| | **(i)** Owners | | 4,218.00 | 2,087.03 |
| | **(ii)** Non Controlling Interest | | 386.58 | 218.65 |
| | **Other Comprehensive Income Attributable To** | | | |
| | **(i)** Owners | | (19.20) | (25.06) |
| | **(ii)** Non Controlling Interest | | (1.33) | 2.04 |
| | **Total Comprehensive Income Attributable To** | | | |
| | **(i)** Owners | | 4,198.80 | 2,061.97 |
| | **(ii)** Non Controlling Interest | | 385.25 | 220.69 |
| | **Earnings per equity Share (Face value of ₹ 10 each)** | 34 | | |
| | (1) Basic (in ₹) | | 14.02 | 6.94 |
| | (2) Diluted (in ₹) | | 14.02 | 6.94 |
| | **Significant Accounting Policies** | 1 | | |
| | **See accompanying notes to the Financial Statements** | 2 - 50 | | |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# CONSOLIDATED STATEMENT OF CASH FLOW

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Cash Flow From Operating Activities** | | | |
| **Profit Before Tax** | | **5,718.31** | **3,289.66** |
| Adjustment for : | | | |
| Depreciation | | 3,077.91 | 2,731.60 |
| Interest Paid | | 4,000.75 | 3,688.11 |
| Interest Income | | (353.66) | (417.26) |
| Allowance for Expected Credit Loss | | 175.09 | 169.83 |
| Net (Gain) / Loss on Sale of Property, Plant & Equipment | | 4.54 | 122.97 |
| Share in profit of Associate & Joint Venture | | (253.23) | (432.03) |
| (Gain) on Account of Derecognition of Subsidiary | | (308.40) | - |
| **Operating Profit before Working Capital changes** | | **12,061.31** | **9,152.88** |
| Changes in Working Capital | | | |
| Adjustment for : | | | |
| (Increase) / Decrease in Inventories | | 228.15 | (2,931.79) |
| (Increase) / Decrease in Trade Receivables | | 1,626.95 | (125.13) |
| (Increase) / Decrease in Financial Assets | | (1,583.11) | (618.82) |
| (Increase) / Decrease in Other Assets | | (2,212.44) | (211.90) |
| Increase / (Decrease) in Trade Payables | | (1,479.24) | 3,886.54 |
| Increase / (Decrease) in Other Financial Liabilities | | (271.53) | 876.22 |
| Increase / (Decrease) in Other Liabilities | | (1,428.63) | (240.58) |
| Increase / (Decrease) in Provisions | | 133.30 | 82.70 |
| **Cash generated from operations before Income Tax Paid** | | **7,074.76** | **9,870.11** |
| Direct Taxes Paid | | (1,426.02) | (1,111.02) |
| **Net Cash Flow From Operating Activities** | **(A)** | **5,648.74** | **8,759.09** |
| **Cash Flow From Investing Activities** | | | |
| Payments for purchase of Property, Plant & Equipment | | (5,532.19) | (6,722.44) |
| Proceeds from sales of Property, Plant & Equipment | | 75.73 | 419.57 |
| Proceeds / (Payments) of term deposits | | (953.72) | (293.55) |
| (Purchase) / Sale in Investments (Net) | | 2,000.65 | (50.10) |
| Interest Received | | 353.66 | 417.26 |
| **Net Cash Flow Used In Investing Activities** | **(B)** | **(4,055.87)** | **(6,229.26)** |
| **Cash Flow From Financing Activities** | | | |
| Proceeds from Non-Current Borrowings (Net) | | (2,058.44) | (979.83) |
| Increase/ (Decrease) in Current Borrowings (Net) | | 397.57 | 3,045.64 |
| Interest Paid | | (3,876.82) | (3,688.11) |
| Issue of Preferential Share Warrants | | 2,115.00 | - |
| Payment of lease liability | | (331.59) | - |
| Proceeds from issue of Share Capital to Non Controlling Interest | | - | 501.21 |
| Dividend paid | | (180.64) | (390.51) |
| Dividend Distribution Tax paid | | (37.11) | (80.40) |
| **Net Cash Flow Used In Financing Activities** | **(C)** | **(3,972.02)** | **(1,592.00)** |
| **Net Increase in cash and cash equivalents during the year** | **(A + B + C)** | **(2,379.16)** | **937.83** |
| Add: Cash and cash equivalents at the beginning for the year | | 2,776.86 | 1,839.03 |
| Less: Cash and cash equivalents disposed On Account of Derecognition of Subsidiary | | (6.64) | - |
| **Cash and cash equivalents at the end for the year** | | **391.06** | **2,776.86** |

# CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

## for the year ended March 31, 2020

**Notes:**

**a) Components of Cash & Cash Equivalents**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Cash and Cash Equivalents: (Refer Note 12)** | | |
| Cash on Hand | 18.48 | 34.22 |
| Balance with Bank | 271.15 | 2,640.16 |
| Term Deposits with Bank | - | 6.93 |
| **Sub Total - A** | **289.63** | **2,681.31** |
| **Current Investments: (Refer Note 5)** | | |
| Investment in Mutual Funds | 101.43 | 95.55 |
| **Sub Total - B** | **101.43** | **95.55** |
| **Total (A + B)** | **391.06** | **2,776.86** |

**b) Reconciliation of liabilities arising from financing activities**

(₹ in Lakhs)

| As at March 31, 2020 | Opening Balance | Cash Flows | Non Cash Changes | On Account of Derecognition of Subsidiary | Closing Balance |
|---|---|---|---|---|---|
| Long term Borrowings (Incl. Current maturity) | 12,560.57 | (2,058.44) | - | (1,240.59) | **9,261.54** |
| Short term Borrowings | 23,498.08 | 397.57 | - | (1,092.04) | **22,803.61** |
| **Total liabilities from financing activities** | **36,058.65** | **(1,660.87)** | | **(2,332.63)** | **32,065.15** |

(₹ in Lakhs)

| As at March 31, 2019 | Opening Balance | Cash Flows | Non Cash Changes | On Account of Derecognition of Subsidiary | Closing Balance |
|---|---|---|---|---|---|
| Long term Borrowings (Incl. Current maturity) | 13,540.40 | (979.83) | - | - | **12,560.57** |
| Short term Borrowings | 20,452.44 | 3,045.64 | - | - | **23,498.08** |
| **Total liabilities from financing activities** | **33,992.84** | **2,065.81** | **-** | **-** | **36,058.65** |

**c)** The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

| | |
|---|---|
| **Significant Accounting Policies** | **1** |
| **See accompanying notes to the financial statements** | **2 - 50** |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the year ended March 31, 2020

### A. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Balance at the beginning of the year** | **3,008.74** | **3,008.74** |
| Changes in Equity share capital during the year | - | - |
| **Balance at the end of the year** | **3,008.74** | **3,008.74** |

### B. Other Equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | | Preferential Share Warrants | Total Equity attributable to Owners | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve on Consolidation | Security Premium | General Reserve | Retained Earnings | | | | |
| **Balance as at April 1, 2018** | **3,362.67** | **7,690.51** | **890.00** | **28,561.42** | | **40,504.60** | **2,891.00** | **43,395.60** |
| Profit for the year | - | - | - | 2,087.03 | - | **2087.03** | 218.65 | **2,305.68** |
| Other Comprehensive Income for the year | - | - | - | (25.06) | - | **(25.06)** | 2.04 | **(23.02)** |
| **Total Comprehensive Income for the year** | - | - | - | **2,061.97** | - | **2,061.97** | **220.69** | **2,282.66** |
| On Account of Consolidation | - | - | - | 6.63 | - | **6.63** | - | **6.63** |
| Issue of Share Capital to Non Controlling Interest | - | - | - | - | - | - | 501.21 | **501.21** |
| Dividends (Refer Note 14.2) | - | - | - | (391.14) | - | **(391.14)** | - | **(391.14)** |
| Dividend Distribution Tax (Refer Note 14.2) | - | - | - | (80.40) | - | **(80.40)** | - | **(80.40)** |
| **Balance as at March 31, 2019** | **3,362.67** | **7,690.51** | **890.00** | **30,158.48** | - | **42,101.66** | **3,612.90** | **45,714.56** |
| Profit for the year | - | - | - | 4,218.00 | - | **4218.00** | 386.58 | **4,604.58** |
| Other Comprehensive Income for the year | - | - | - | (19.20) | - | **(19.20)** | (1.33) | **(20.53)** |
| **Total Comprehensive Income for the year** | - | - | - | **4,198.80** | - | **4,198.80** | **385.25** | **4,584.05** |
| Profit / Loss On Account of Derecognition of Subsidiary (Refer Note 44) | | | | (327.62) | - | **(327.62)** | (1077.75) | **(1405.37)** |
| Profit / Loss on On Account of Derecognition of Joint Venture (Refer Note 5) | - | - | - | 856.86 | - | **856.86** | - | **856.86** |
| Issue of Preferential Share Warrants | - | - | - | - | 2,115.00 | **2115.00** | - | **2115.00** |
| Dividends (Refer Note 14.2) | - | - | - | (180.52) | - | **(180.52)** | - | **(180.52)** |
| Dividend Distribution Tax (Refer Note 14.2) | - | - | - | (37.11) | - | **(37.11)** | - | **(37.11)** |
| **Balance as at March 31, 2020** | **3,362.67** | **7,690.51** | **890.00** | **34,668.89** | **2,115.00** | **48,727.07** | **2,920.40** | **51,647.47** |
| **Significant Accounting Policies** | | **1** | | | | | | |
| **See accompanying notes to the Financial Statements** | | **2 - 50** | | | | | | |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### Group's Background:

The consolidated financial statements comprise financial statements of Asian Granito India Limited (the Parent), its subsidiaries, joint venture and associate (collectively, the group) for the year ended March 31, 2020. The Parent is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The Equity shares of the Parent are listed in India on the BSE Limited and National Stock Exchange Limited. The registered office of the Parent is located at 202, Dev Arc, Opp. Isckon Temple, S.G. Highway, Ahmedabad - 380015.

The Group is engaged in manufacturing and trading of Tiles, Marble and allied products.

The financial statements of the group for the year ended on March 31, 2020 were authorized for issue in accordance with a resolution of the Directors on June 30, 2020.

### 1. Statement on Significant Accounting Policies, Key Accounting Estimates and Judgements:

**1.1 Basis for Preparation:**

These financial statements are the consolidated financial statements of the group prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

**1.2 Functional and presentation currency:**

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

**1.3 Key accounting estimates and judgements:**

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**1.4 Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

i) **Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

ii) **Income taxes:**

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

iii) **Defined Benefit Obligation:**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

iv) **Estimates:**

Estimates and judgements are continually evaluated. They are based on historical experience and other

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

v) **Estimation of uncertainities relating to the global health pandemic from COVID -19:**

In view of the unprecedented COVID-19 pandemic, the Group has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. In assessing the recoverability, the Group has considered internal and external information upto the date of approval of these Ind AS financial results and has concluded that there are no material impact on the operations and the financial position of the Group. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

**1.5 Current / Non-Current Classification:**

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**1.6 Basis for consolidation:**

The consolidated financial statements comprise the financial statements of the Group and Group's share of profit/loss in its associate and joint venture as at March 31, 2020. Control exists when the Group has:

- power over the investee;
- exposure or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the group gains control until the date when the Group ceases to control the subsidiary.

If the Group losses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

controlling interest and other components of equity. Any investment retained is measured at fair value. Any resultant gain or loss is recognized in the Consolidated Statement of Profit and Loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on March 31, 2020.

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Parent and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 "Consolidated Financial Statements". Further, the carrying amount of the Parent's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.

ii) The consolidated financial statements include the share of profit / loss of an associate and joint venture which have been accounted for using equity method as per Ind AS 28 "Investment in Associates and Joint Ventures". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss (the loss being restricted to the cost of investment) of the investee after the acquisition date.

iii) Profit or loss and each component of Other Comprehensive Income (the 'OCI') are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

iv) The excess of cost to the Group of its investments in the subsidiary companies, joint venture and associate over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries, joint venture and associate as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

v) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year and each component of Other Comprehensive Income of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the parent.

### 1.7 Summary of Significant accounting policies:

#### a) Business Combinations:

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity.

### b) Property, Plant & Equipment:

*i. Measurement at recognition:*

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties, borrowing cost, changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets, other non-refundable purchase taxes or levies and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

*ii. Depreciation:*

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method (SLM) Method based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 except following items of Property, Plant and Equipment where group has estimated different useful life:

| Particulars | Useful Life varying between |
|---|---|
| Plant & Machinery | 8 & 21 Years |
| Buildings | 10 & 60 Years |
| Furniture & Fixtures and Office equipment | 5 & 13 Years |

Freehold land is not depreciated.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

*iii. Derecognition:*

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

*iv. Capital Work in progress:*

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress.

### c) Investment Property:

Investment Property is measured initially at cost including related transaction costs.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

### d) Borrowing Costs:

Borrowing cost includes interest, Amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

### e) Impairment of non-financial assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### f) Inventory:

Raw materials, finished goods, packing materials, stores, spares, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

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

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

### g) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets:

*Initial recognition and measurement:*

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

*Subsequent measurement:*

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

*i. Financial assets measured at amortized cost:*

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative Amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the Amortisation under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

*ii. Financial assets measured at FVTOCI:*

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss.

*iii. Financial assets measured at FVTPL:*

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

### Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

### Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

*i. Trade receivables:*

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost less provision for impairment based on expected credit loss.

For trade and lease receivable only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of such receivables.

*ii. Financial assets measured at amortized cost (other than trade receivables)*

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

### Financial Liabilities

*Initial recognition and measurement:*

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

*Subsequent measurement:*

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative Amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the Amortisation under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

*Derecognition:*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

*Offsetting of Financial Instruments:*

Financial assets and financial liabilities are offset, and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### h) Fair Value:

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### i) Revenue Recognition:

The Group has applied Ind AS 115 - Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

Revenue from sale of goods is recognized when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on contract terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur. Customers have the contractual right to return goods only when authorized by the Group. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

*Interest and dividends:*

Interest income is recognized using effective interest method. Dividend income is recognized when the right to receive payment is established.

### j) Income Taxes:

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

*Current tax:*

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

*Deferred tax:*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

*Presentation of current and deferred tax:*

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

### k) Foreign Currency Transaction & Translation:

*Initial Recognition:*

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

transactions settled during the year are recognized in the Statement of Profit and Loss.

*Measurement of foreign currency items at reporting date:*
Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### l) Provision & Contingencies:

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

If the effect of 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### m) Employee Benefits:

*Short Term Employee Benefits:*
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### Post-Employment Benefits:

*i. Defined Contribution plans:*
Defined contribution plans are employee provident fund, employee state insurance scheme and Government administered pension fund scheme for all applicable employees.

*Recognition and measurement of defined contribution plans:*
The Group recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

*ii. Defined Benefit plans:*
The Group operates a defined benefit gratuity plan for employees.

*Recognition and measurement of Defined Benefit plans:*
The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

The Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

*Other Long-Term Employee Benefits:*
Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The group determines the liability for such accumulated leave using the projected accrued benefit method with actuarial valuations being carried out at each Balance Sheet date.

### n) Lease Accounting:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective April 1, 2019, the Group adopted Ind AS 116 " "Leases" ", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

*Group as a Lessee*
The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer note no. 41, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

*Group as a Lessor*
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income

### o) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### p) Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### q) Cash Flow Statement:

Cash Flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

### r) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, deposit accounts and term deposits accounts with remaining maturity of three months or less as at balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, deposit accounts and term deposits as defined above and investment in liquid funds for short term purpose.

### s) Events after reporting date:

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

### t) Investment in Associate & Joint Venture:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Group's share of the profit or loss and Other Comprehensive Income of the associate or Joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture); the Group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 2. Property, Plant and Equipment

(₹ in Lakhs)

| Particulars | Land | Factory Building | Office & Other Building | Plant & Equipment | Furniture & Fixtures | Office Equipment | Vehicles | Computers | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost / Deemed cost** | | | | | | | | | | |
| **As at April 1, 2018** | **7,076.70** | **9,789.15** | **949.25** | **26,906.75** | **1,281.09** | **362.18** | **739.78** | **516.65** | **47,621.55** | **1,146.63** |
| Additions | 2.79 | 1,477.78 | 1.89 | 5,672.01 | 475.35 | 29.74 | 131.96 | 64.95 | 7,856.47 | 12.60 |
| Deductions | - | - | - | (576.09) | - | (1.05) | (94.97) | (5.58) | (677.69) | (1146.63) |
| **As at March 31, 2019** | **7,079.49** | **11,266.93** | **951.14** | **32,002.67** | **1,756.44** | **390.87** | **776.77** | **576.02** | **54,800.33** | **12.60** |
| Additions | - | 64.12 | - | 3,935.84 | 160.18 | 48.48 | 81.80 | 59.54 | 4,349.96 | 924.85 |
| Deductions | - | - | - | (62.24) | - | - | (38.12) | (6.50) | (106.86) | - |
| On Account of Derecognition of Subsidiary | **(156.36)** | **(1188.37)** | - | (2497.56) | **(8.24)** | **(9.44)** | (28.74) | (11.38) | (3900.09) | - |
| **As at March 31, 2020** | **6,923.13** | **10,142.68** | **951.14** | **33,378.71** | **1,908.38** | **429.91** | **791.71** | **617.68** | **55,143.34** | **937.45** |
| **Accumulated depreciation** | | | | | | | | | | |
| **As at April 1, 2018** | - | **630.93** | **21.83** | **3,243.80** | **547.91** | **260.73** | **358.67** | **387.10** | **5,450.97** | - |
| Depreciation for the year | - | 358.11 | 13.31 | 2,031.04 | 159.10 | 32.61 | 76.31 | 61.12 | 2,731.60 | - |
| Deductions | - | - | - | (122.33) | - | (0.88) | (24.86) | (3.25) | (151.32) | - |
| **As at March 31, 2019** | - | **989.04** | **35.14** | **5,152.51** | **707.01** | **292.46** | **410.12** | **444.97** | **8,031.25** | - |
| Depreciation for the year | - | 386.45 | 19.58 | 2,078.25 | 134.91 | 32.40 | 66.60 | 63.64 | 2,781.83 | - |
| Deductions | - | - | - | (9.22) | - | - | (13.24) | (4.13) | (26.59) | - |
| On Account of Derecognition of Subsidiary | - | (72.85) | - | (382.11) | (1.40) | (3.01) | (7.27) | (6.64) | (473.28) | - |
| **As at March 31, 2020** | - | **1,302.64** | **54.72** | **6,839.43** | **840.52** | **321.85** | **456.21** | **497.84** | **10,313.21** | - |
| **Net Block** | | | | | | | | | | |
| **As at March 31, 2020** | **6,923.13** | **8,840.04** | **896.42** | **26,539.28** | **1,067.86** | **108.06** | **335.50** | **119.84** | **44,830.13** | **937.45** |
| **As at March 31, 2019** | **7,079.49** | **10,277.89** | **916.00** | **26,850.16** | **1,049.43** | **98.41** | **366.65** | **131.05** | **46,769.08** | **12.60** |
| **As at April 1, 2018** | **7,076.70** | **9,158.22** | **927.42** | **23,662.95** | **733.18** | **101.45** | **381.11** | **129.56** | **42,170.57** | **1,146.63** |

**Note:**

(a) For information on Property Plant and Equipment pledged as a security by the Group Refer Note 15.

(b) Refer Note 44 on account of Derecognition of Subsidiary.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 2. Right of Use Assets

(₹ in Lakhs)

| Particulars | Office & Other Building |
|---|---|
| **As at April 1, 2019** | - |
| Reclassification on adoption of Ind AS 116 | 1,361.06 |
| **As at March 31, 2020** | **1,361.06** |
| **Accumulated depreciation** | |
| Depreciation for the year | (296.08) |
| **As at March 31, 2020** | **1,064.96** |

Refer Note 41 for related disclosures.

## 3. Investment Property

(₹ in Lakhs)

| Particulars | Free hold-Land |
|---|---|
| **Cost / Deemed cost** | |
| **As at April 1, 2018** | **66.93** |
| Additions | - |
| Deductions | (16.17) |
| **As at March 31, 2019** | **50.76** |
| Additions | - |
| Deductions | - |
| **As at March 31, 2020** | **50.76** |
| **Accumulated depreciation** | |
| **As at April 1, 2018** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2019** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2020** | **-** |
| **Net Block** | |
| **As at March 31, 2020** | **50.76** |
| **As at March 31, 2019** | **50.76** |
| **As at April 1, 2018** | **66.93** |

**Note:**

a) The Group has classified freehold land located at Nandan Vatrika as Investment Property. There are no amounts pertaining to these investment properties recognized in the statement of profit and Loss, since Group does not receive any rental Income and does not incur any depreciation or other operating expenses.

b) The Group does not have any contractual obligation to purchase, construct or develop for maintenance or enhancement of investment property.

c) The Group has no restrictions on the realisability of it's investment property.

d) Fair Value of investment property:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Free hold - Land | 50.76 | 50.76 |
| **Total** | **50.76** | **50.76** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 4. Goodwill

(₹ in Lakhs)

| Particulars | Goodwill on Consolidation |
|---|---|
| **Cost / Deemed cost** | |
| **As at April 1, 2018** | **331.67** |
| Additions | - |
| Deductions | - |
| **As at March 31, 2019** | **331.67** |
| Additions | - |
| Deductions | - |
| **As at March 31, 2020** | **331.67** |
| **Accumulated depreciation** | |
| **As at April 1, 2018** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2019** | **-** |
| Depreciation for the year | - |
| Deductions | - |
| **As at March 31, 2020** | **-** |
| **Net Block** | |
| **As at March 31, 2020** | **331.67** |
| **As at March 31, 2019** | **331.67** |
| **As at April 1, 2018** | **331.67** |

## 5. Investments

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Investments** | | |
| Investment in Equity Instruments of Associate | 2,410.87 | 2,157.71 |
| Investment in Equity Instruments of Joint Venture | - | 84.79 |
| Investment in Mutual Funds | 394.42 | 366.49 |
| Investment in Others | 73.35 | 57.68 |
| **Total** | **2,878.64** | **2,666.67** |
| **Current Investments** | | |
| Investment In Mutual Fund | 101.43 | 95.55 |
| **Total** | **101.43** | **95.55** |

(₹ in Lakhs)

| Particulars | Face Value | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares/Units | ₹ | No. of Shares/Units | ₹ |
| **Non-Current** | | | | | |
| **I. Investments in Equity Instruments (measured at cost, Refer Note 32)** | | | | | |
| **A) Quoted** | | | | | |
| **i) Associate** | | | | | |
| Astron Paper & Board Mill Limited | 10 | 87,75,000 | 2,410.87 | 87,75,000 | 2,157.71 |
| **Total (A)** | | | **2,410.87** | | **2,157.71** |
| **B) Unquoted** | | | | | |
| **i) Joint Venture** | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) (Refer Note (a)) | 10 | - | - | 94,16,500 | 84.79 |
| **Sub Total (B)** | | | **-** | | **84.79** |
| **Total (A + B)** | | | **2,410.87** | | **2,242.50** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Face Value | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|
| | | No. of Shares/Units | ₹ | No. of Shares/Units | ₹ |
| **II. Quoted Investment in Mutual Funds (Measured at FVTPL, Refer Note 32)** | | | | | |
| Aditya Birla Sunlife Mutual Fund | - | 81,543.49 | 394.42 | 81,543.49 | 366.49 |
| **Total (II)** | | | **394.42** | | **366.49** |
| **III. Other Investments (Measured at Cost, Refer Note 32)** | - | - | 73.35 | - | 57.68 |
| **Total (II)** | | | **73.35** | | **57.68** |
| **Grand Total (I + II + III)** | | | **2,878.64** | | **2,666.67** |
| **Current** | | | | | |
| **Quoted (Measured at FVTPL, Refer Note 32)** | | | | | |
| **Investment in Mutual Funds** | | | | | |
| SBI Corporate Bond fund Regular Growth | - | 3,19,897.63 | 101.43 | 3,19,897.63 | 95.55 |
| **Total** | | | **101.43** | | **95.55** |

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Book Value | Market Value | Book Value | Market Value |
| **Non-Current** | | | | |
| Total Quoted Investments | 2,805.29 | 2,759.28 | 2,524.20 | 9,352.09 |
| Total Unquoted Investments | 73.35 | - | 142.47 | - |
| **Current** | | | | |
| Total Quoted Investments | 101.43 | 101.43 | 95.55 | 95.55 |

**Note:**

**a. Joint Venture**

The Holding Company had entered into Joint Venture Agreement with Panariagroup Industrie Ceramiche S.p.A. vide JV Agreement dated February 17, 2012. The said JV agreement was terminated by the Holding Company vide Termination Agreement dated May 24, 2019. Consequently the Holding Company has sold equity shares of JV company viz., Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) during the quarter ending on June 30, 2019.

## 6. Loans

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Loans to Others | 768.04 | 716.22 |
| **Total** | **768.04** | **716.22** |
| **Breakup:** | | |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 768.04 | 716.22 |
| Loans which have significant increase in credit risk | - | - |
| Loans - Credit impaired | - | - |
| Less: Allowance for doubtful Loans | - | - |
| **Total** | **768.04** | **716.22** |
| **Current** | | |
| Loans and Advances to Employees | 20.51 | 4.36 |
| Loans to Others | 136.43 | 189.94 |
| **Total** | **156.94** | **194.30** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Breakup:** | | |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 156.94 | 194.30 |
| Loans which have significant increase in credit risk | - | - |
| Loans - Credit impaired | - | - |
| Less: Allowance for doubtful Loans | - | - |
| **Total** | **156.94** | **194.30** |

## 7. Other Financial Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Security and Other Deposits | 101.73 | 111.94 |
| In Term Deposit Accounts with original maturity more than 12 months | 10.92 | 14.25 |
| **Total** | **112.65** | **126.19** |
| **Current** | | |
| Export Incentive Receivables | 703.20 | 379.63 |
| Insurance Claim Receivables | 14.97 | 50.44 |
| Security and Other Deposits | 126.58 | 141.28 |
| Others | 1,531.36 | 261.03 |
| **Total** | **2,376.11** | **832.38** |

## 8. Other Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Payment under Protest | 962.38 | 887.60 |
| Capital Advances | 501.07 | 3.13 |
| **Total** | **1,463.45** | **890.73** |
| **Current** | | |
| Balances with Government Authorities | 612.34 | 816.34 |
| Advances to Vendors | 2,067.35 | 493.88 |
| Prepaid Expenses | 227.59 | 121.52 |
| Others | 12.57 | 2.36 |
| **Total** | **2,919.85** | **1,434.10** |

## 9. Non-Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-Current Tax Assets (Net) | - | 127.96 |
| **Total** | **-** | **127.96** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 10. Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Raw Material | 4,992.53 | 5,610.37 |
| Semi-Finished Goods | - | 19.85 |
| Work-in-Progress | 4,639.10 | 5,075.97 |
| Finished Goods | 13,324.69 | 14,036.98 |
| Stock in Trade | 2,309.95 | 1,611.45 |
| Stores, Spares, Fuel & Consumables | 3,680.33 | 3,877.41 |
| Packing Materials | 229.11 | 290.00 |
| **Total** | **29,175.71** | **30,522.03** |

## 11. Trade Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Receivables from Others | 37,423.13 | 39,714.81 |
| Receivables from Related Parties (Refer Note 38) | 2.28 | 305.32 |
| **Total** | **37,425.41** | **40,020.13** |
| **Breakup:** | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 37,425.41 | 40,020.13 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables - Credit impaired | 907.80 | 732.71 |
| Less: Allowance for Expected Credit Loss | (907.80) | (732.71) |
| **Total** | **37,425.41** | **40,020.13** |

## 12. Cash and Bank Balances

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Cash on Hand | 18.48 | 34.22 |
| Balances with Banks | | |
| In Current Accounts | 271.15 | 2,640.16 |
| In Term Deposit Accounts with Original Maturity of less than 3 months | - | 6.93 |
| **Total** | **289.63** | **2,681.31** |
| **Other Balances with Banks** | | |
| Unpaid Dividend | 1.79 | 1.91 |
| In Term Deposit Accounts with Original Maturity more than 3 months but less than 12 months* | 1,025.62 | 634.53 |
| **Total** | **1,027.41** | **636.44** |

*It includes deposits given to bank for margin requirements against Bank Guarantee and Letter of Credit facilities.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 13. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Authorized** | | |
| 3,62,50,000 Equity Shares of ₹ 10/- each | 3,625.00 | 3,625.00 |
| (P.Y. 3,62,50,000) Equity Shares of ₹ 10 Each | | |
| **Issued, Subscribed and Paid up** | | |
| 3,00,87,446 Equity Shares of ₹ 10/- Each fully Paid up | 3,008.74 | 3,008.74 |
| (P.Y. 3,00,87,446) Equity Shares of ₹ 10 Each | | |
| **Total** | **3,008.74** | **3,008.74** |

**13.1** Reconciliation of shares outstanding at the end of the year

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| At the beginning of the year | 3,00,87,446 | 3,008.74 | 3,00,87,446 | 3,008.74 |
| Add: Issued during the year | - | - | - | - |
| **At the end of the year** | **3,00,87,446** | **3,008.74** | **3,00,87,446** | **3,008.74** |

**13.2** Terms/Rights attached to Equity shares

The Company has one class of shares referred to as Equity shares having face value of ₹ 10.

(a) Equity Shares
In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts and Preference shares. The distribution will be in proportion to the number of Equity shares held by the Shareholders. Each holder of Equity shares is entitled to one vote per share.

(b) Dividend
The Company declares and pays dividend in Indian rupees and shareholders are entitled to receive the same upon declaration of the same. The dividend proposed by the Board is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

**13.3 Details of Shareholders holding more than 5% of Equity shares**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Kamleshbhai B Patel | 37,23,741 | 12.38% | 35,64,555 | 11.85% |
| Mukeshbhai J Patel | 22,99,174 | 7.64% | 21,60,011 | 7.18% |
| Sureshbhai J Patel | 15,43,534 | 5.13% | 15,43,534 | 5.13% |
| Donroy Ceramics LLP | - | - | 16,48,715 | 5.48% |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 14. Other Equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | | Preferential Share Warrants | Total Equity attributable to Owners | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Reserve on Consolidation | Security Premium | General Reserve | Retained Earnings | | | | |
| **Balance as at April 1, 2018** | **3,362.67** | **7,690.51** | **890.00** | **28,561.42** | **-** | **40,504.60** | **2,891.00** | **43,395.60** |
| Profit for the year | - | - | - | 2,087.03 | - | **2087.03** | 218.65 | **2,305.68** |
| Other Comprehensive Income for the year | - | - | - | (25.06) | - | **(25.06)** | 2.04 | **(23.02)** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **2,061.97** | **-** | **2,061.97** | **220.69** | **2,282.65** |
| On Account of Consolidation | - | - | - | 6.63 | - | **6.63** | - | **6.63** |
| Issue of Share Capital to Non Controlling Interest | - | - | - | - | - | **-** | 501.21 | **501.21** |
| Dividends (Refer Note 14.2) | - | - | - | (391.14) | - | **(391.14)** | - | **(391.14)** |
| Dividend Distribution Tax (Refer Note 14.2) | - | - | - | (80.40) | - | **(80.40)** | - | **(80.40)** |
| **Balance as at March 31, 2019** | **3,362.67** | **7,690.51** | **890.00** | **30,158.48** | **-** | **42,101.66** | **3,612.90** | **45,714.56** |
| Profit for the year | - | - | - | 4,218.00 | - | **4218.00** | 386.58 | **4,604.58** |
| Other Comprehensive Income for the year | - | - | - | (19.20) | - | **(19.20)** | (1.33) | **(20.53)** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **4,198.80** | **-** | **4,198.80** | **385.25** | **4,584.05** |
| Profit / Loss On Account of Derecognition of Subsidiary (Refer Note 44) | - | - | - | (327.62) | - | **(327.62)** | (1077.75) | **(1405.37)** |
| Profit / Loss on On Account of Derecognition of Joint Venture (Refer Note 5) | - | - | - | 856.86 | - | **856.86** | - | **856.86** |
| Issue of Preferential Share Warrants | - | - | - | - | 2,115.00 | **2,115.00** | - | **2115.00** |
| Dividends (Refer Note 14.2) | - | - | - | (180.52) | - | **(180.52)** | - | **(180.52)** |
| Dividend Distribution Tax (Refer Note 14.2) | - | - | - | (37.11) | - | **(37.11)** | - | **(37.11)** |
| **Balance as at March 31, 2020** | **3,362.67** | **7,690.51** | **890.00** | **34,668.89** | **2,115.00** | **48,727.07** | **2,920.40** | **51,647.47** |

### 14.1 Nature and purpose of other reserves:

**(a) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

**(b) General Reserve**

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

**(c) Capital Reserve on consolidation**

Capital Reserve represents difference between fair value of the net assets acquired and consideration issued for past business combination.

**(d) Retained Earnings**

The amount of retained earning includes the component of other comprehensive income, which cannot be distributed by the Company as dividends to its equity shareholders. Balance amount is available for distribution to equity share holders.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**(e) Preferential Share Warrants**

After receiving in principal approval from the Stock Exchanges and from Shareholders, the Holding Company has offered and allotted 47,00,000 "Fully Convertible Warrants" at price of ₹ 180/- each (at a face value of ₹ 10/- each and Premium of ₹ 170/- Per Convertible Warrant) in one or more tranches for the below objective:

i) To fund long term capital requirements for future growth of the Company;

ii) To meet working capital requirement and reducing debts; and

iii) To meet General Corporate Purpose.

The 25% of ₹ 180/- i.e. ₹ 45/- per convertible warrant (₹ 45/- * 47,00,000 convertible warrants) = ₹ 2,115 Lakhs have been received during the current financial year and remaining 75% balance amounting to ₹ 6,345 Lakhs will be received within 18 months from the date of allotment.

### 14.2 Dividend:

The Board of Directors at its meeting held on June 30, 2020 have recommended a payment of final dividend of ₹ 0.70 [P.Y. ₹ 0.60] per equity share of the face value of ₹ 10 each for the financial year ended March 31, 2020.

### 15. Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Borrowings (measured at amortized cost, Refer Note 32)** | | |
| **Secured** | | |
| Term Loans | | |
| - From Banks | 2,914.78 | 5,418.93 |
| - From Financial Institutions | 1,931.82 | 2,405.75 |
| Buyers credit | - | 240.16 |
| Vehicle loans | 170.93 | 169.28 |
| **Unsecured** | | |
| **Loan** | | |
| - From Bank | 20.68 | 28.93 |
| - From Directors (Refer Note 38) | 24.90 | 118.93 |
| - From Others | 4,198.43 | 4,178.59 |
| **Sub-Total (A)** | **9,261.54** | **12,560.57** |
| **Current Maturities of Borrowings** | | |
| **Secured** | | |
| Term loan from Banks | 811.66 | 1,917.17 |
| Term loan from Financial Institutions | 299.47 | 473.94 |
| Buyers Credit | - | 240.16 |
| Vehicle Loans | 53.84 | 42.55 |
| **Unsecured** | | |
| **Loan** | | |
| - From Bank | 9.99 | 8.25 |
| **Sub-Total (B)** | **1,174.96** | **2,682.07** |
| **Total (A-B)** | **8,086.58** | **9,878.50** |
| **Current Borrowings** | | |
| **(measured at amortized cost, Refer Note 32)** | | |
| **Secured** | | |
| Working Capital facilities from banks | 22,803.61 | 23,498.08 |
| **Total** | **22,803.61** | **23,498.08** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**Asian Granito India Limited:**

(a) Term Loan ₹ 1032.86 Lakhs are Term Loan ₹ 638.16 Lakhs are secured by way of:

i) First Pari Passu charge over entire fixed assets (movable & immovable), plant & machinery of the Company, including Factory Land & Buildings bearing Survey Number : 160, 147-A & 162 (Dalpur), 16 (Jawanpura) & 204/1 (Vanku), situated at Dalpur, Jawanpura & vanku, 30000, (Semi Urban), Admeasuring Total Area : 256725.

ii) First and exclusive registered mortgage charge on immovable properties being commercial property located at Unit 202, 203 Dev Arc, Opposite Iskon Temple, Ahmedabad, Gujarat - 380015 and non-agriculture land including present and future super-structures built on it, located at S No 489, Hissa No 1 & S No 489 Hissa No 2 paiki, block no 370, Village Gota, Tal. Dascroi, District Ahmedabad belonging to AGL Infrastructure Private Limited.

(b) Working capital loans of ₹ 15,713.41 Lakhs are secured by way of hypothecation over current assets including raw materials, stock in process, finished goods, stores and spares, receivable and other current assets of vitrified/wall/marble division (Dalpur unit) and Ceramic division (Idar unit) of the Company.

(c) Vehicle loans of ₹ 162.82 Lakhs are secured by hypothecation of vehicles in favour of Bank. Each Vehicle loans consist of 60 equated monthly installments from the date of disbursement.

**Amazoone Ceramics Limited:**

(a) Hypothecation of stocks, receivables and entire current assets of the Company and further secured by way of equitable mortgage of factory land & building of the Company situated at Plot No.1 & 2 over block No. 450 paiki admeasuring 55948 sq.meters at village Dalpur-383430, together with construction thereon and second charge over fixed assets of the Company. Further, the borrowing facilities are secured against personal guarantees of (a) Shri Vipul V.Patel -(director) (b) Shri Girishbhai M.Patel (Director) (c) Shri Mukeshbhai Jivabhai Patel and (d) Shri Kamleshbhai B.Patel.

(b) There has been no default during the year under review in repaymnent of either principal or interest due thereon.

(c) The working capital facilities have been availed @10.75% p.a. with monthly rest.

**Crystal Ceramics Industries Private Limited:**

(a) Punjab National Bank -T/L No.IC-206 (Repayable in (A) 8 Quarterly Installments of ₹ 2.25 Crore each and (B) 2 Quarterly Installments of ₹ 2.50 Crore each.

(b) Aditya Birla Finance Limited- T/L A/c No. 80000409 Repayable in (A) 1 Quarterly Installments of ₹ 0.9375 Crore each, AND (B) 12 Quarterly Installments of ₹ 1.25 Crores each). And T/L A/c No. 80001617 Repayable in 41 Monthly Installments of ₹ 0.08245 Crore each.

(c) ICICI Bank T/L A/c No. UPABD00038577647 Repayable in 24 Monthly Installments of ₹ 1.07 Lakh each including interest.

(d) Term Loan with PNB for ₹ 23.07 Crore outstanding as on 31.03.2020 (Original Sanctioned ₹ 50 Crore) secured by way of First Pari Passu charge over the movable & immovable properties of the Company situated at Survey No. 34, 36 Paiki, 63, 64, 61 Paiki 1 etc. Situated at village Kaiyal, Taluka-Kadi, Disct: Mehsana, Gujarat-382705, over the movable assets including Plant & Machineries situated at above Survey Numbers AND Second Pari passu charge over entire current Assets situated at Survey No. 34, 36 Paiki, 63,64, 61 Paiki 1 etc at village Kaiyal, Taluka-Kadi, Disct: Mehsana, Gujarat-382705 and more specifically spelt out in related Samction Letter from the Bank.

(e) For the Term Loan with Aditya Birla Finance Limited, as per the sanction letter dated 12/05/2016 r.w. sanction letter dated 18/05/2016, the company has provided lien marking on approved Debt Mutual Fund (in nature of capital protection fund) of minimum value of ₹ 3 Crore and company has also provided pledge of Unencumbered shares held by other parties and their corporate & personal guarantee. It further includes subservient charge on Current Assets & Fixed Assets of the company.

(f) Secured Short term borrowings from banks are secured against stock and Book Debts and more specifically.

(g) Amount of Interest free loan as on 31/03/2020 is ₹ 6.95 Crore (Previous Year ₹ 7.93 Crore)

**Powergrace Industries Limited:**

(a) Vehicle loans are secured by hypothecation of vehicles in favour of Bank.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### Maturity Profile and Rate of Interest of Term Loans

(₹ in Lakhs)

| Type of Loan | Terms of Repayment | Maturity | Rate of Interest | No. of Installments | Outstanding at March 31, 2020 |
|---|---|---|---|---|---|
| SBI - Term loan | Quarterly | December 2020 | 12.05% | 9 | 139.11 |
| IndusInd - Term loan | Quarterly | December 2021 | 10.55% | 21 | 163.50 |
| Kotak - Term loan | Monthly | July 2022 | 9.30% | 28 | 335.55 |
| Punjab National Bank | Quarterly | July 2022 | 11.90% | 28 | 2,307.36 |
| Aditya Birla Finance Limited | Quarterly | June 2023 | 10.85% | 39 | 1,593.76 |
| Aditya Birla Finance Limited | Quarterly | August 2023 | 12.00% | 41 | 338.06 |
| ICICI Bank Ltd | Quarterly | March 2022 | 16.50% | 12 | 20.68 |

## 16. Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non Current** | | |
| Provision for Gratuity (Refer Note 37) | 240.71 | 171.13 |
| Provision for Leave Encashment | 108.68 | 83.03 |
| **Total** | **349.39** | **254.16** |
| **Current** | | |
| **Provision for Employee Benefits** | | |
| Provision for Gratuity (Refer Note 37) | 95.44 | 88.24 |
| Provision for Leave Encashment | 11.70 | 10.29 |
| Provision for Others | 276.46 | 228.14 |
| **Total** | **383.60** | **326.67** |

## 17. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| i) Deferred Tax Liabilities | 4,709.16 | 4,910.86 |
| ii) Deferred Tax Assets | 2,244.89 | 2,095.19 |
| **Total (i - ii)** | **2,464.27** | **2,815.67** |

## 17.1. Movements in Deferred Tax:

(₹ in Lakhs)

| Particulars | As at April 1, 2018 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | As at March 31, 2019 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | On Account of Derecognition of Subsidiary* | As at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| **Deferred Tax Liability** | | | | | | | | |
| Property, Plant & Equipment | 4,250.15 | 641.50 | - | 4,891.65 | (169.23) | - | 299.12 | 4,423.30 |
| Processing Fees | 16.18 | (3.13) | - | 13.05 | (5.06) | - | - | 7.99 |
| Right of Use Assets | - | - | - | - | 268.05 | - | - | 268.05 |
| Others | 6.56 | (0.40) | - | 6.16 | 3.66 | - | - | 9.82 |
| **Sub-Total (A)** | **4,272.89** | **637.97** | **-** | **4,910.86** | **97.42** | **-** | **299.12** | **4,709.16** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | As at April 1, 2018 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | As at March 31, 2019 | Charged/ (Credited) to Profit or Loss | Charged/ (Credited) to OCI | On Account of Derecognition of Subsidiary* | As at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| **Deferred Tax Assets** | | | | | | | | |
| Provision for Employee Benefits | 156.18 | (58.24) | 15.90 | 113.84 | 49.97 | 6.33 | - | 170.14 |
| Amortisation of Preliminary Expense | 427.12 | (88.06) | - | 338.19 | (105.16) | - | - | 233.03 |
| Provision for Expected Credit Loss | 206.05 | 82.65 | - | 288.70 | (25.27) | - | - | 263.43 |
| Deferral of Revenue | 7.78 | (7.78) | - | - | - | - | - | - |
| Unabsorbed Business Losses | - | 258.82 | - | 258.82 | 135.39 | - | 148.09 | 246.12 |
| Investment Property | 5.82 | (5.82) | - | - | - | - | - | - |
| MAT Credit | 1,038.98 | 55.81 | - | 1,094.79 | 111.12 | - | 164.05 | 1,041.86 |
| Lease Liabilities | - | - | - | - | 283.57 | - | - | 283.57 |
| Rent / Leases Deposit | - | - | - | - | 6.74 | - | - | 6.74 |
| Others | 4.91 | (4.06) | - | 0.85 | (0.29) | - | 0.56 | - |
| **Sub-Total (B)** | **1,846.84** | **233.32** | **15.90** | **2,095.19** | **456.07** | **6.33** | **312.70** | **2,244.89** |
| **Deferred Tax Liabilities (Net) (A - B)** | **2,426.05** | **404.65** | **(15.90)** | **2,815.67** | **(358.65)** | **(6.33)** | **(13.58)** | **2,464.27** |

*Refer Note 44 on account of Derecognition of Subsidiary.

### 17.2. Reconciliation of tax expenses and the profit before tax multiplied by India's tax rate:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Profit before tax | **5,465.08** | **2,857.63** |
| **Tax expenses at statutory tax rate of 25.17% (P.Y 34.944%)** | 1,375.56 | 998.57 |
| Expense not allowed as deduction | 308.02 | 195.56 |
| Expense allowed as deduction | (420.43) | (20.17) |
| Adjustment of tax expense relating to earlier periods | 222.28 | (111.67) |
| Tax on Income at different rates | (385.16) | (78.32) |
| Others | 13.46 | - |
| **Total Tax Expense** | **1,113.73** | **983.98** |
| **Effective Tax Rate** | **20.38%** | **34.43%** |

Some of the Subsidiaries Companies along with Holding Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognized provision of Income Tax for the year ended March 31, 2020 and re-measured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 18. Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current** | | |
| Others | 36.48 | 22.12 |
| **Total** | **36.48** | **22.12** |
| **Current** | | |
| Advance Received from Customers | 994.94 | 1,582.40 |
| Statutory Liabilities | 425.87 | 1,344.66 |
| Others | 172.93 | 182.10 |
| **Total** | **1,593.74** | **3,109.16** |

## 19. Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Due to Micro and Small enterprises (Refer Note 40) | 199.28 | 721.50 |
| Due to Others (Including Acceptances)* | 30,154.83 | 30,413.02 |
| Due to Related Parties (Refer Note 38) | 667.71 | 2,498.37 |
| **Total** | **31,021.82** | **33,632.89** |

* Acceptances includes arrangement where operational suppliers of goods are initially paid by banks while the Group continue to recognize the liability till settlement with banks which are normally affected within a period of 90 days.

## 20. Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current** | | |
| Current Maturities of Non-current Borrowings (Refer Note 15) | 1,174.96 | 2,682.07 |
| Trade Deposits | 1,382.20 | 1,227.70 |
| Unclaimed Dividend* | 1.79 | 1.91 |
| Payable to Employees | 711.46 | 602.22 |
| Creditors for Capital Goods | 1.72 | 1,036.39 |
| Credit balance in Current Account | - | 27.17 |
| **Total** | **3,272.13** | **5,577.46** |

* These figures do not include any such amount to be credited to Investor Education and Protection Fund (IEPF).

## 21. Current Tax Liability (Net)

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Current Tax Liabilities (Net) | 115.77 | 270.11 |
| **Total** | **115.77** | **270.11** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 22. Revenue From Operations

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Sale of Products** | **1,21,157.51** | **1,17,900.97** |
| **Other Operating Revenues** | | |
| Export Incentives | 789.47 | 383.64 |
| Wind Mill Power Generation | 87.29 | 87.14 |
| Job Work | - | 26.82 |
| Others | 419.20 | 267.60 |
| | **1,295.96** | **765.20** |
| **Total** | **1,22,453.47** | **1,18,666.17** |

**Disaggregation of revenue**

**Revenue based on Geography**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| In India | 97,132.16 | 1,02,144.07 |
| Outside India | 24,025.35 | 15,756.90 |
| **Total** | **1,21,157.51** | **1,17,900.97** |

**Reconciliation of Revenue from operations with contract price**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue as per contract price | 1,21,564.56 | 1,18,288.74 |
| Less: Discounts | (407.05) | (387.77) |
| **Revenue as per profit and loss** | **1,21,157.51** | **1,17,900.97** |

## 23. Other Income

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest Income from:** | | |
| - Term deposits | 96.35 | 203.05 |
| - Others | 257.31 | 214.21 |
| **Sub-Total (A)** | **353.66** | **417.26** |
| **Rental Income** | 49.24 | 36.69 |
| **Sub-Total (B)** | **49.24** | **36.69** |
| **Other Gains** | | |
| Profit on redemption of units of mutual funds (Net) | 13.41 | - |
| Gain on Account of Derecognition of Subsidiary (Refer Note 44) | 308.40 | - |
| Current Investment measued at FVPTL | 5.88 | 6.19 |
| **Sub-Total (C)** | **327.69** | **6.19** |
| **Others** | 43.36 | 163.75 |
| **Sub-Total (D)** | **43.36** | **163.75** |
| **Total (A+B+C+D)** | **773.95** | **623.89** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 24. Cost of Material Consumed

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Glaze, Frits and Chemicals & Others | 28,419.92 | 30,284.69 |
| Packing Materials | 2,211.59 | 2,309.39 |
| Semi Finished Material Consumed | 19.85 | 87.57 |
| **Total** | **30,651.36** | **32,681.65** |

## 25. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Inventories at the beginning of the year** | | |
| Finished Goods | 14,036.98 | 13,579.53 |
| Work-in-Progress | 5,075.97 | 3,886.79 |
| Stock-in-Trade | 1,611.45 | 727.45 |
| **Sub-Total (A)** | **20,724.40** | **18,193.77** |
| **Inventories at the end of the year** | | |
| Finished Goods | 13,324.69 | 14,036.98 |
| Work-in-Progress | 4,639.10 | 5,075.97 |
| Stock-in-Trade | 2,309.95 | 1,611.45 |
| **Sub-Total (B)** | **20,273.74** | **20,724.40** |
| **Inventories disposed On Account of Derecognition of Subsidiary during the year *** | | |
| Finished Goods | 668.99 | - |
| **Sub-Total (C)** | **668.99** | **-** |
| **Total of Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (A - B - C)** | **(218.33)** | **(2530.63)** |

* Refer Note 44 on account of Derecognition of Subsidiary.

## 26. Employee Benefits Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Salaries and Wages (Incl. Managerial Remuneration) (Refer Note 37) | 10,304.73 | 10,452.01 |
| Contribution to Provident and Other Funds | 477.41 | 464.91 |
| Staff Welfare Expenses | 67.27 | 71.43 |
| **Total** | **10,849.41** | **10,988.35** |

## 27. Finance Costs

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Interest Expenses on: | | |
| - Term Loans | 478.04 | 543.30 |
| - Working Capital Facilities | 2,568.22 | 2,241.59 |
| - Others | 579.47 | 512.42 |
| Other Borrowing Costs | 375.02 | 390.80 |
| **Total** | **4,000.75** | **3,688.11** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 28. Depreciation And Amortisation Expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Depreciation Expense on Property, Plant and Equipment | 2,781.83 | 2,731.60 |
| Depreciation Expense on Right of Use Assets | 296.08 | - |
| **Total** | **3,077.91** | **2,731.60** |

## 29. Power & Fuel

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consumption of Gas & Fuel | 8,307.25 | 9,513.02 |
| Power Expense | 4,700.43 | 7,155.07 |
| **Total** | **13,007.68** | **16,668.09** |

## 30. Other Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Consumption of Stores & Spares | 2,698.13 | 3,565.45 |
| Other Manufacturing Expense | 1,319.58 | 1,526.13 |
| Rent, Rates & Taxes | 575.24 | 670.96 |
| Repairs & Maintenance | | |
| - To Plant & Machineries | 129.32 | 111.70 |
| - To Buildings | 32.02 | 43.75 |
| - To Vehicles | 29.56 | 28.40 |
| - To Others | 107.35 | 78.01 |
| Communication Expenses | 142.67 | 189.88 |
| Printing & Stationery | 25.10 | 27.85 |
| Legal & Professional | 253.56 | 337.97 |
| Auditor's Remuneration (Refer Note 31) | 26.33 | 19.97 |
| Directors' Sitting Fees | 6.40 | 8.13 |
| Directors' Travelling | 10.93 | 12.76 |
| Travelling & Conveyance | 1,309.64 | 1,334.13 |
| Advertisement Expenses | 1,579.78 | 2,091.49 |
| Other Selling & Distribution Expenses | 5,075.48 | 5,263.98 |
| Allowance for Expected Credit Loss | 175.09 | 169.83 |
| Sundry Balance Written off | (34.27) | 200.55 |
| Donation | 8.82 | 30.09 |
| Loss on Sale of Property, Plant & Equipment (Net) | 4.54 | 122.97 |
| Corporate Social Responsibility (Refer Note 33) | 108.25 | 105.37 |
| Miscellaneous Expenses | 293.55 | 279.04 |
| Net Foreign Exchange Loss / (Gain) | (542.90) | (286.70) |
| **Total** | **13,334.17** | **15,931.71** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2020

## 31. Payment to Auditors (Excluding Taxes)

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Statutory Audit Fees | 18.05 | 15.38 |
| Certification Fees and Other Services | 8.28 | 4.59 |
| **Total** | **26.33** | **19.97** |

## 32. Fair Value Measurements

a) **Accounting classification and fair values**

**As at March 31, 2020**

(₹ in Lakhs)

| Particulars | Carrying Value | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | At Cost | At FVTPL | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Investments (Note i) | 2,484.22 | 495.85 | - | 2,980.07 | 495.85 | - | - | 495.85 |
| Loans | - | - | 924.98 | 924.98 | - | - | - | - |
| Trade Receivables | - | - | 37,425.41 | 37,425.41 | - | - | - | - |
| Cash and Cash Equivalents | - | - | 289.63 | 289.63 | - | - | - | - |
| Other Bank Balances | - | - | 1,027.41 | 1,027.41 | - | - | - | - |
| Other Financial Assets | - | - | 2,488.76 | 2,488.76 | - | - | - | - |
| **Total Financial Assets** | **2,484.22** | **495.85** | **42,156.19** | **45,136.26** | **495.85** | **-** | **-** | **495.85** |
| Borrowings (Incl. Current Maturities) | - | - | 32,065.15 | 32,065.15 | - | - | - | - |
| Lease Liabilities (Incl. Current Lease Liabilities) | - | - | 1,126.64 | 1,126.64 | - | - | - | - |
| Trade Payables | - | - | 31,021.82 | 31,021.82 | - | - | - | - |
| Other Financial Liabilities | - | - | 2,097.17 | 2,097.17 | - | - | - | - |
| **Total Financial Liabilities** | **-** | **-** | **66,310.79** | **66,310.79** | **-** | **-** | **-** | **-** |

**As at March 31, 2019**

(₹ in Lakhs)

| Particulars | Carrying Value | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | At Cost | At FVTPL | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Investments (Note i) | 2,300.18 | 462.04 | - | 2,762.22 | 462.04 | - | - | 462.04 |
| Loans | - | - | 910.52 | 910.52 | - | - | - | - |
| Trade Receivables | - | - | 40,020.13 | 40,020.13 | - | - | - | - |
| Cash and Cash Equivalents | - | - | 2,681.31 | 2,681.31 | - | - | - | - |
| Other Bank Balances | - | - | 636.44 | 636.44 | - | - | - | - |
| Other Financial Assets | - | - | 958.57 | 958.57 | - | - | - | - |
| **Total Financial Assets** | **2,300.18** | **462.04** | **45,206.98** | **47,969.19** | **462.04** | **-** | **-** | **462.04** |
| Borrowings (Incl. Current Maturities) | - | - | 36,058.65 | 36,058.65 | - | - | - | - |
| Trade Payables | - | - | 33,632.89 | 33,632.89 | - | - | - | - |
| Other Financial Liabilities | - | - | 2,895.39 | 2,895.39 | - | - | - | - |
| **Total Financial Liabilities** | **-** | **-** | **72,586.93** | **72,586.93** | **-** | **-** | **-** | **-** |

b) **Measurement of fair values:**

(i) Investments in Associate and Joint Venture:

Investments in Associate and Joint Venture have been accounted at cost. Since these are scope out of Ind AS 109 for the purposes of measurement, the same have been disclosed at cost in the tables above.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(ii) Financial Instrument measured at Amortized Cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(iii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of 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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(iv) There have been no transfers between Level 1 and Level 2 during the year

### 33. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, the group has spent required amount of ₹ 108.25 Lakhs (2018-19: ₹ 105.37 Lakhs) during the current financial year. The details of amount spent are as under:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Education | 106.90 | 105.37 |
| Others | 1.35 | - |
| **Total** | **108.25** | **105.37** |

### 34. Earnings Per Share

(₹ in Lakhs)

| Particulars | Units | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Basic & Diluted Earning Per Share (EPS)** | | | |
| (a) Profit attributable to equity shareholders of the Group | (₹ in Lakhs) | 4,218.00 | 2,087.03 |
| (b) Weighted average number of equity sharess | (in Nos.) | 3,00,87,446 | 3,00,87,446 |
| (c) Earning per Share (Basic and Diluted) | ₹ | 14.02 | 6.94 |
| (d) Face value per Share | ₹ | 10.00 | 10.00 |

### 35. Financial Risk Management:

The Group's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's is exposed to Market risk, Credit risk and Liquidity risk. The Board of the Group monitors the risk as per risk management policy. Further The Audit Committee has additional oversight in the area of financial risks and controls.

The following disclosures summarise the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

Within the various methodologies to analyze and manage risk, Group's has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

- a parallel shift of 100-basis points of the interest rate yield curves in major currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 5%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity, pension and other post-retirement obligations and provisions.

**The following assumption has been made in calculating the sensitivity analysis:**

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at March 31, 2020, approximately 22.48% of the Group's borrowings and other financial liabilities are at fixed rate (March 31, 2019 : 21.02%). Summary of financial assets and financial liabilities has been provided below:

#### Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial Assets | 1,036.54 | 655.71 |
| Financial Liabilities | 7,512.45 | 7,812.04 |
| **Variable-rate instruments** | | |
| Financial Assets | - | - |
| Financial Liabilities | 25,910.00 | 29,355.38 |

#### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

#### Impact on Profit / (loss) after tax

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Increase in 100 basis points | (193.88) | (190.97) |
| Decrease in 100 basis points | 193.88 | 190.97 |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in foreign currencies (primarily USD and EUR). Consequently, the Groups has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Group manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) is as follows:

(Amount in FCY)

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | USD | EUR | USD | EUR |
| **Financial Assets** | | | | |
| Trade receivables | 46,69,539 | - | 38,62,506 | - |
| Other Bank Balances | 1,86,129 | - | - | - |
| **Total (A)** | **48,55,668** | **-** | **38,62,506** | **-** |
| **Financial Liabilities** | | | | |
| Trade payables | 4,77,967 | 3,17,968 | 16,91,819 | 3,81,446 |
| Other Financial Liabilities | - | 28,019 | 3,47,200 | - |
| **Total (B)** | **4,77,967** | **3,45,987** | **20,39,019** | **3,81,446** |
| **Net exposure to foreign currency (A-B)** | **43,77,701** | **(3,45,987)** | **18,23,487** | **(3,81,446)** |

The following significant exchange rates have been applied during the year.

| Particulars | Average rate | | Year-end spot rate | |
|---|---|---|---|---|
| | Year Ended March 31, 2020 | Year Ended March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| USD 1 | 72.28 | 67.11 | 75.39 | 69.17 |
| EUR 1 | 80.38 | 79.16 | 83.05 | 77.70 |

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in Lakhs)

| Particulars | USD | | | EUR | | |
|---|---|---|---|---|---|---|
| | Change in exchange rate | Profit / (loss) before tax | Equity (net of tax) | Change in exchange rate | Profit / (loss) before tax | Equity (net of tax) |
| **March 31, 2020** | | | | | | |
| Strengthening | 5% | 158.21 | 118.39 | 5% | (13.90) | (10.40) |
| Weakening | | (158.21) | (118.39) | | 13.90 | 10.40 |
| **March 31, 2019** | | | | | | |
| Strengthening | 5% | 61.18 | 39.80 | 5% | (15.10) | (9.87) |
| Weakening | | (61.18) | (39.80) | | 15.10 | 9.87 |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management.

#### Other financial assets

This comprises mainly of deposits with banks and other intercompany receivables. Credit risk arising from these financial assets is limited.

#### Trade receivables

Customer credit risk is managed by each business unit subject to the group's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

The Group has used practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates used in the provision matrix. In calculating expected credit loss, the Group has also considered credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

#### Reconciliation of loss allowance provision – Trade receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Loss allowance as at beginning of the year | 732.71 | 562.88 |
| Changes in Loss allowance | 175.09 | 169.83 |
| Loss allowances as at end of the year | **907.80** | **732.71** |

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's finance department in accordance with the group's policy. Investments of surplus funds are made only with approved counterparties.

### (c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimized cost.

The table below analysis non-derivative financial liabilities of the group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|
| **As at March 31, 2020** | | | | |
| **Financial Liabilities** | | | | |
| Borrowings (Incl. Current Maturities) | 32,065.15 | 23,978.57 | 8,086.58 | 32,065.15 |
| Lease Liabilities (Incl. Current Lease Liabilities) | 1,126.64 | 312.37 | 814.27 | 1,126.64 |
| Trade Payables | 31,021.82 | 31,021.82 | - | 31,021.82 |
| Other Financial Liabilities | 2,097.17 | 2,097.17 | - | 2,097.17 |
| **Total** | **66,310.78** | **57,409.93** | **8,900.85** | **66,310.78** |
| **As at March 31, 2019** | | | | |
| **Financial Liabilities** | | | | |
| Borrowings (Incl. Current Maturities) | 36,058.65 | 26,180.15 | 9,878.50 | 36,058.65 |
| Trade Payables | 33,632.89 | 33,632.89 | - | 33,632.89 |
| Other Financial Liabilities | 2,895.39 | 2,895.39 | - | 2,895.39 |
| **Total** | **72,586.93** | **62,708.43** | **9,878.50** | **72,586.93** |

## 36. Capital management:

For the purpose of the group's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using Debt-Equity ratio, which is net debt divided by total equity. The group's policy is to keep the net debt to equity ratio below 2. The group includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Interest-bearing Borrowings (Incl. Current Maturity)(Note 15) | 32,040.25 | 35,939.72 |
| Less: Cash and Cash Equivalents (Note 12) | (1,317.04) | (3,317.76) |
| **Adjusted Net Debt** | **30,723.21** | **32,621.96** |
| Equity Share Capital (Note 13) | 3,008.74 | 3,008.74 |
| Other Equity (Note 14) | 48,727.07 | 42,101.66 |
| **Total Equity** | **51,735.81** | **45,110.40** |
| **Adjusted net debt to total equity ratio** | **0.59** | **0.72** |

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

## 37. Employee Benefits

### a) Defined contribution plans:

The Group's makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**Details of amount recognized as expenses during the year:**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Contribution to Provident Fund | 324.27 | 317.76 |
| **Total** | **324.27** | **317.76** |

**b) Defined benefit plan:**

The Group has defined benefit gratuity plan for its employees. The employee who has completed five years or more of service is entitled to gratuity on termination of his employment at 15 days last drawn salary for each completed year of service. The scheme is funded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by Ind AS - 19. Gratuity has been recognized in the financial statement as per details given below:

### Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

### Interest risk:

A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

### Longevity risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognized in the consolidated financial statements as at March 31, 2020.

### (i) Reconciliation in present value of defined benefit obligation:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Defined benefit obligations as at beginning of the year | 482.31 | 358.95 |
| Current service cost | 118.40 | 128.05 |
| Past service cost | - | - |
| Interest cost | 9.45 | 10.01 |
| Actuarial (Gains)/Losses | 23.53 | 55.08 |
| Benefits paid | (48.88) | (69.78) |
| **Defined benefit obligations as at end of the year** | **584.81** | **482.31** |

### (ii) Reconciliation change in fair value of plan assets:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Fair Value of Plan Assets at the beginning of the year | 222.94 | 189.56 |
| Interest Income | 5.88 | 21.16 |
| Contribution by Employer | 77.92 | 87.00 |
| Benefits paid from the fund | (48.88) | (69.78) |
| Return on Plan Assets, Excluding Interest Income | (9.20) | (5.00) |
| **Fair Value of Plan Assets at the end of the year** | **248.66** | **222.94** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (iii) Amount recognized in balance sheet

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| PVO at the end of year | 584.81 | 482.31 |
| Fair value of planned assets at the end of year | (248.66) | (222.94) |
| **Net Liability recognized in the balance sheet** | **336.15** | **259.37** |

### (iv) Amount recognized in Statement of Profit and Loss:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Current service cost | 118.40 | 128.05 |
| Interest cost | 9.45 | 10.01 |
| Past service cost | - | - |
| **Expense recognized** | **127.85** | **138.06** |

### (v) Amount recognized in Other Comprehensive Income:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Total Actuarial (Gains)/ Losses | 26.86 | 38.92 |

### (vi) Principal assumptions used in determining defined benefit obligations for the Group

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Discount rate (Per Annum) | 5%-7.64% | 7.61%-8% |
| Salary escalation rate (Per Annum) | 4%-6% | 4%-6% |
| Mortality Rate [as % of Indian Assured Lives Mortality (IALM) (2006-08) Ultimate] | IALM (2006-08) Rates | |
| Normal Retirement Age (In Years) | 58 | 58 |
| Average Future Service (In Years) | 8-22 | 8-22 |

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**Additional Disclosure Items**

### (vii) Category of Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Insurance Fund | 250.12 | 208.47 |

### (viii) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 1 Year | 53.48 | 37.76 |
| Between 2 to 5 Year | 146.72 | 80.65 |
| Between 6 to 10 Year | 258.55 | 187.68 |
| Beyond 10 Years | 690.86 | 79.19 |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(ix) Sensitivity analysis

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Under Base Scenario** | | |
| Salary Escalation - Up by 1 % | 51.42 | 458.78 |
| Salary Escalation - Down by 1% | (45.46) | (370.79) |
| Withdrawal Rates - Up by 1% | 6.63 | 411.65 |
| Withdrawal Rates - Down by 1 % | (7.79) | (388.62) |
| Discount Rates - Up by 1 % | (44.56) | (371.56) |
| Discount Rates - Down by 1 % | 51.45 | 459.01 |

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Group's financial statements as at balance sheet date:

**Total employee benefit liabilities**

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Provisions** | 16 | | |
| Non Current | | 240.71 | 171.13 |
| Current | | 95.44 | 88.24 |

## 38. Related Party Disclosures:

As per the Ind AS - 24 Related Party Disclosures, the related parties of the Group are as follows :

**(a) Name of the related parties and nature of relationships :**

(i) Associate

Astron Paper and Board Mills Limited

(ii) Joint Venture

Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) (Refer Note 5)

(iii) Key Management Personnel (KMP)

| Name | Designation |
|---|---|
| Kamleshbhai Bhagubhai Patel | Chairman & Managing Director |
| Mukeshbhai Jivabhai Patel | Managing Director |
| Sureshbhai Jivabhai Patel | Director |
| Kalidasbhai Jivabhai Patel (Till November 12, 2019) | Chief Finance Officer |
| Amarendra Gupta (From November 15, 2019) | Chief Finance Officer |
| Bhogibhai Bhikhabhai Patel | Director |
| Kanubhai Bhikhabhai Patel | Director |
| Bhaveshbhai Vinodbhai Patel | Director |
| Renuka A Upadhyay | Company Secretary |

(iv) Independent Directors

| | |
|---|---|
| Amrutlal Ishwerlal Patel | Hemendrakumar Chamanlal Shah |
| Premjibhai Ramjibhai Chaudhari | Mukesh Mahendrabhai Shah |
| Indira Nityanandam | Dipti Atulbhai Mehta |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### (v) Relatives of Key Management Personnel (KMP)

| | |
|---|---|
| Hinaben Kamleshbhai Patel | Zalakben Hirenbhai Patel |
| Bhagubhai Punjabhai Patel | Parulben Kanubhai Patel |
| Hiraben Bhagubhai Patel | Sureshbhai Bhikhabhai Patel |
| Rajviben Kuldeepbhai Patel | Asmitaben Bhaveshbhai Patel |
| Kuldeepbhai Rameshbhai Patel | Vinodbhai Lalabhai Patel |
| Bhanuben Mukeshbhai Patel | Vipulbhai Vinodbhai Patel |
| Dhuliben Jivabhai Patel | Alpaben Jagdishbhai Patel |
| Shaunakbhai Mukeshbhai Patel | Bhaveshbhai Bhogibhai Patel |
| Shaliniben Shaunakbhai Patel | Rameshbhai Bhikhabhai Patel |
| Chhayaben Sureshbhai Patel | Ankitaben Kalidasbhai Patel |
| Hirenbhai Sureshbhai Patel | Dimpalben Bhogibhai Patel |

### (vi) Enterprises over which KMP and/or their relatives having significant influence

| | |
|---|---|
| Affil Vitrified Private Limited | AGL Developers |
| Aryan Buildspace LLP | AGL Infrastructure Private Limited |
| AGL Infrabuild Private Limited | Camrola Quartz Limited |

### (vii) Post employment benefit plan

Asian Granito India Limited Employees Group Gratuity Fund

### (b) Terms and conditions of transactions with related parties

(i) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

### (c) Transactions with key management personnel

Compensation of key management personnel of the Group

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Kamleshbhai Bhagubhai Patel | 43.58 | 41.38 |
| Mukeshbhai Jivabhai Patel | 35.42 | 33.22 |
| Sureshbhai Jivabhai Patel | 29.64 | 28.51 |
| Bhaveshbhai Vinodbhai Patel | 21.14 | 20.41 |
| Kanubhai Bhikhabhai Patel | 23.30 | 21.23 |
| Bhogibhai Bhikhabhai Patel | 15.87 | 13.84 |
| Renuka A Upadhyay | 15.58 | 15.68 |
| Kalidasbhai Jivabhai Patel (Till November 12, 2019) | 9.04 | 12.53 |
| Amarendra Gupta (From November 15, 2019) | 15.22 | - |
| **Total compensation paid to key management personnel** | **208.79** | **186.81** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

The following table summarises related-party transactions and balances for the year ended/as at March 31, 2020 and March 31, 2019

(₹ in Lakhs)

| Particulars | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Purchase of Products | - | - | 3.33 | 2.31 | 4,970.21 | 5,695.69 | 37.01 | 7.30 |
| Sale of Products | - | 48.72 | - | 4.31 | - | 2.50 | - | - |
| Interest Paid | - | - | - | - | 24.93 | - | 10.80 | - |
| Quality Complain | - | - | - | - | 6.55 | 8.98 | - | - |
| Interest Received | - | - | - | - | 9.07 | 7.84 | - | - |
| Rent Received | - | 1.69 | - | - | - | - | 9.95 | 14.08 |
| Rent Paid | - | - | - | - | 15.67 | 18.67 | 0.29 | - |
| Sales Commission Income | - | - | - | - | - | 0.91 | - | - |
| Loan Given | - | - | - | - | 11.00 | - | - | - |
| Loan Taken | - | - | - | - | 900.00 | 400.00 | - | 156.87 |
| Loan Repaid | - | - | - | - | - | - | 156.76 | 322.28 |
| Loan Recovered | - | - | - | - | 30.00 | - | - | - |
| Deposit Given & Recovered | - | - | - | - | - | - | 2.76 | - |
| Reimbursement of Exp. | - | - | - | - | 0.35 | 26.65 | - | - |
| Disinvestment | 941.65 | - | - | - | - | - | - | - |
| Director's Remuneration | - | - | - | - | - | - | 168.95 | 158.59 |
| Director Sitting Fee | - | - | - | - | - | - | 5.10 | 6.30 |
| Employee Benefit Expense | - | - | - | - | - | - | 205.10 | 195.09 |
| Contribution to Gratuity Fund | - | - | - | - | 77.80 | 77.00 | - | - |
| **Outstanding Balances** | | | | | | | | |
| Trade Payable | - | 28.57 | - | - | 615.12 | 2,448.13 | 52.59 | 21.67 |
| Trade Receivable | - | 301.80 | - | - | 2.28 | - | - | 3.52 |
| Deposit | - | - | - | - | - | - | 2.76 | - |
| Investment **(Refer Note 5)** | - | 84.79 | 2,410.87 | 2,157.71 | - | - | - | - |
| Loan Given | - | - | - | - | 69.66 | 80.49 | - | - |
| Loan Taken | - | - | - | - | 1,359.99 | 512.39 | 760.08 | 787.12 |
| Guarantee Given | - | - | - | - | 4,280.00 | - | - | - |
| **Transactions During the Period** | | | | | | | | |
| **Purchase of Material / Finished Goods** | | | | | | | | |
| Astron Paper & Board Mill Limited | - | - | 3.33 | 2.31 | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | 4,970.21 | 5,695.69 | - | - |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | 4.83 | 2.79 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | 3.27 | 0.96 |
| Bhanuben Mukeshbhai Patel | - | - | - | - | - | - | 7.02 | 1.21 |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | 4.87 | 1.00 |
| Dhuliben Jivabhai Patel | - | - | - | - | - | - | 0.20 | 1.34 |
| Bhagubhai Punjabhai Patel | - | - | - | - | - | - | 6.85 | - |
| Shaunakbhai Mukeshbhai Patel | - | - | - | - | - | - | 9.97 | - |
| | **-** | **-** | **3.33** | **2.31** | **4,970.21** | **5,695.69** | **37.01** | **7.30** |
| **Sale of Products** | | | | | | | | |
| Astron Paper & Board Mill Limited | - | - | - | 4.31 | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | - | 2.50 | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | 48.72 | - | - | - | - | - | - |
| | **-** | **48.72** | **-** | **4.31** | **-** | **2.50** | **-** | **-** |
| **Interest Paid** | | | | | | | | |
| Shaunakbhai Mukeshbhai Patel | - | - | - | - | - | - | 10.80 | - |
| Affil Vitrified Private Limited | - | - | - | - | 24.93 | - | - | - |
| | **-** | **-** | **-** | **-** | **24.93** | **-** | **10.80** | **-** |
| **Quality Complain** | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | 6.55 | 8.98 | - | - |
| | **-** | **-** | **-** | **-** | **6.55** | **8.98** | **-** | **-** |
| **Interest Received** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | 9.07 | 7.84 | - | - |
| | **-** | **-** | **-** | **-** | **9.07** | **7.84** | **-** | **-** |
| **Rent Received** | | | | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | 1.69 | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | 9.95 | 14.08 |
| | **-** | **1.69** | **-** | **-** | **-** | **-** | **9.95** | **14.08** |
| **Rent Paid** | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | - | 3.00 | - | - |
| AGL Infrastructure Private Limited | - | - | - | - | 15.67 | 15.67 | - | - |
| Others | - | - | - | - | - | - | 0.29 | - |
| | **-** | **-** | **-** | **-** | **15.67** | **18.67** | **0.29** | **-** |
| **Sales Commission Income** | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | - | 0.91 | - | - |
| | **-** | **-** | **-** | **-** | **-** | **0.91** | **-** | **-** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Loan Given** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | 11.00 | - | - | - |
| | **-** | **-** | **-** | **-** | **11.00** | **-** | **-** | **-** |
| **Loan Taken** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | - | 400.00 | - | - |
| Affil Vitrified Private Limited | - | - | - | - | 900.00 | - | - | - |
| Vipulbhai Vinodbhai Patel | - | - | - | - | - | - | - | 22.79 |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | - | 52.92 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | - | 29.78 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | - | 22.35 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | 11.70 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | 17.33 |
| | **-** | **-** | **-** | **-** | **900.00** | **400.00** | **-** | **156.87** |
| **Loan Repaid** | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | 10.00 | 110.77 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | 9.00 | 110.16 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | - | 97.35 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | 38.33 | 4.00 |
| Vipulbhai Vinodbhai Patel | - | - | - | - | - | - | 62.73 | - |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | 36.70 | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **156.76** | **322.28** |
| **Loan Recovered** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | 30.00 | - | - | - |
| | **-** | **-** | **-** | **-** | **30.00** | **-** | **-** | **-** |
| **Deposit Given & Recovered** | | | | | | | | |
| Shaliniben Shaunak Patel | - | - | - | - | - | - | 1.38 | - |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | 1.38 | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **2.76** | **-** |
| **Reimbursement of Exp.** | | | | | | | | |
| Affil Vitrified Private Limited | - | - | - | - | 0.35 | 19.32 | - | - |
| AGL Infrastructure Private Limited | - | - | - | - | - | 7.33 | - | - |
| | **-** | **-** | **-** | **-** | **0.35** | **26.65** | **-** | **-** |
| **Disinvestment** | | | | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | 941.65 | - | - | - | - | - | - | - |
| | **941.65** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Director's Remuneration** | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | 43.58 | 41.38 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | 35.42 | 33.22 |
| Sureshbhai Jivabhai Patel | - | - | - | - | - | - | 29.64 | 28.51 |
| Bhaveshbhai Vinodbhai Patel | - | - | - | - | - | - | 21.14 | 20.41 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | 23.30 | 21.23 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | 15.87 | 13.84 |
| | - | - | - | - | - | - | **168.95** | **158.59** |
| **Director Sitting Fee** | | | | | | | | |
| Ajendrakumar Patel | - | - | - | - | - | - | - | 0.30 |
| Amrutlal Ishwerlal Patel | - | - | - | - | - | - | 0.30 | 0.40 |
| Premjibhai Ramjibhai Chaudhari | - | - | - | - | - | - | 1.00 | 0.60 |
| Indira Nityanandam | - | - | - | - | - | - | 0.30 | 0.40 |
| Hemendrakumar Chamanlal Shah | - | - | - | - | - | - | 1.75 | 1.60 |
| Satish Yeshwant Deodhar | - | - | - | - | - | - | - | 1.50 |
| Mukesh Mahendrabhai Shah | - | - | - | - | - | - | 0.75 | 1.00 |
| Dipti Atulbhai Mehta | - | - | - | - | - | - | 1.00 | 0.50 |
| | - | - | - | - | - | - | **5.10** | **6.30** |
| **Employee Benefit Expense** | | | | | | | | |
| Others | - | - | - | - | - | - | 205.10 | 195.09 |
| | - | - | - | - | - | - | **205.10** | **195.09** |
| **Contribution to Gratuity Fund** | | | | | | | | |
| Asian Granito India Limited Employees Group Gratuity Fund | - | - | - | - | 77.80 | 77.00 | - | - |
| | - | - | - | - | **77.80** | **77.00** | - | - |
| **Balances as at year end** | | | | | | | | |
| **Trade Payable** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | 4.17 | - | - | - |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | 28.57 | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | 588.98 | 2,376.13 | - | - |
| AGL Developers | - | - | - | - | 21.97 | 72.00 | - | - |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | 8.16 | 4.63 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | 5.95 | 2.68 |
| Bhanuben Mukeshbhai Patel | - | - | - | - | - | - | 8.93 | 3.90 |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

(₹ in Lakhs)

| Particulars | Joint Ventures | | Associate | | KMP and/or their relatives having Significant Influence and others | | KMP / Relatives of KMP | |
|---|---|---|---|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | 7.32 | 2.45 |
| Bhagubhai Punjabhai Patel | - | - | - | - | - | - | 8.14 | 1.59 |
| Shaunakbhai Mukeshbhai Patel | - | - | - | - | - | - | 10.07 | 2.60 |
| Dhuliben Jivabhai Patel | - | - | - | - | - | - | 4.02 | 3.82 |
| | **-** | **28.57** | **-** | **-** | **615.12** | **2,448.13** | **52.59** | **21.67** |
| **Trade Receivable** | | | | | | | | |
| Panariagroup India Industrie Ceramiche Private Limited (Formerly known as AGL Panaria Private Limited) | - | 301.80 | - | - | - | - | - | - |
| Affil Vitrified Private Limited | - | - | - | - | 2.28 | - | - | - |
| Others | - | - | - | - | - | - | - | 3.52 |
| | **-** | **301.80** | **-** | **-** | **2.28** | **-** | **-** | **3.52** |
| **Deposit** | | | | | | | | |
| Shaliniben Shaunak Patel | - | - | - | - | - | - | 1.38 | - |
| Hinaben Kamleshbhai Patel | - | - | - | - | - | - | 1.38 | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **2.76** | **-** |
| **Loan Given** | | | | | | | | |
| AGL Infrastructure Private Limited | - | - | - | - | 69.66 | 80.49 | - | - |
| | **-** | **-** | **-** | **-** | **69.66** | **80.49** | **-** | **-** |
| **Loan Taken** | | | | | | | | |
| Kamleshbhai Bhagubhai Patel | - | - | - | - | - | - | 18.50 | 28.50 |
| Mukeshbhai Jivabhai Patel | - | - | - | - | - | - | 6.40 | 15.40 |
| Kanubhai Bhikhabhai Patel | - | - | - | - | - | - | - | 36.70 |
| Bhogibhai Bhikhabhai Patel | - | - | - | - | - | - | - | 38.33 |
| ShaunakKumar Mukeshbhai Patel | - | - | - | - | - | - | 129.72 | - |
| Vipulbhai Vinodbhai Patel | - | - | - | - | - | - | 605.46 | 668.19 |
| AGL Infrastructure Private Limited | - | - | - | - | 437.55 | 437.55 | - | - |
| Affil Vitrified Private Limited | - | - | - | - | 922.44 | - | - | - |
| AGL Infrabuild Private Limited | - | - | - | - | - | 74.84 | - | - |
| | **-** | **-** | **-** | **-** | **1,359.99** | **512.39** | **760.08** | **787.12** |
| **Guarantees Given** | | | | | | | | |
| Camrola Quartz Limited | - | - | - | - | 4,280.00 | | - | - |
| | **-** | **-** | **-** | **-** | **4,280.00** | **-** | **-** | **-** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**for the year ended March 31, 2020**

## 39. Contingent Liabilities and Commitments

### I. Contingent liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(a)** Claims against the Group not acknowledged as debts comprise of | | |
| i) In respect of Pending Income Tax Demands | 1,027.04 | 938.49 |
| ii) In respect of Pending Sales Tax Demands | 1,289.40 | 2,676.58 |
| iii) In respect of Pending Excise Duty claim by DGFT | 167.97 | 167.97 |
| iv) In respect of Pending Excise Duty claim by DGCEI | 2,241.04 | 2,241.04 |
| v) In respect of Pending Consumer/Legal Cases | 41.57 | 37.05 |
| vi) Others | 2,484.07 | 114.23 |
| **(b)** Bank guarantees for Performance, Earnest Money & Security Deposits | 1,291.55 | 3,414.24 |
| **(c)** Duty on Machinery Imported under EPCG Scheme | 286.01 | 564.87 |
| **(d)** Corporate Guarantees | 20,880.00 | 20,880.00 |
| **Total** | **29,708.65** | **31,034.47** |

### II. Commitments

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Letter of Credit Opened with Banks | 348.64 | 1,196.08 |
| **Total** | **348.64** | **1,196.08** |

The above matters are currently being considered by the tax authorities with various forums and the Group expects the judgement will be in its favour and has therefore, not recognized the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement & decision pending with tax authorities at various forums. The potential undiscounted amount of total payments for taxes that the Group may be required to make if there was an adverse decision related to these disputed demands on regulators as of the date reporting period ends are as stated above.

**40.** The Group has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Group/identified by the Group management:

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 1. the principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year | 199.28 | 721.50 |
| 2. the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| 3. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| 4. the amount of interest accrued and remaining unpaid at the end of the year | 4.36 | 2.34 |
| 5. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 41. Leases

**A. Operating lease commitments - Group as lessee**

The Group's lease asset classes primarily consist of leases for Office & Other Building. The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 1,064.96 Lakhs and a lease liability of ₹ 1,126.64 Lakhs.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Balance as at April 1, 2019 | - |
| (ii) Reclassification on adoption of Ind AS 116 | 1,361.06 |
| (iii) Depreciation | (296.08) |
| **Total** | **1,064.96** |

**The following is the movement in lease liabilities during the year ended March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Recognition on adoption of Ind AS 116 | 1,361.06 |
| (ii) Finance cost accrued during the year | 97.17 |
| (iii) Payment of lease liabilities | (331.59) |
| **Total** | **1,126.64** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**The following is the break-up of current and non-current lease liabilities as at March 31, 2020**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Non-current lease liabilities | 814.27 |
| (ii) Current lease liabilities | 312.37 |
| **Total** | **1,126.64** |

**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on discounted basis**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 |
|---|---|
| (i) Not later than a year | 312.37 |
| (ii) Later than a year but not later than five year | 673.16 |
| (iii) More than five years | 141.11 |

**The following impact have been given in profit and loss of Ind AS 116 - Leases**

(₹ in Lakhs)

| Changes [Increase / (decrease)] | Year ended March 31, 2020 |
|---|---|
| (i) Depreciation and Amortisation | 296.08 |
| (ii) Finance Cost on Lease Liability | 123.94 |
| (iii) Lease Rent Cost | (331.59) |
| **Profit before tax** | **88.43** |

**B. Operating lease commitments - Group as lessor**

The Group has given various premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 3 years and have no specific obligation for renewal.

## 42. Segment Information

The Group has only one reportable segment viz, Tiles & Marbles as per Ind As 108 - Operating Segment.

**Entity Wide Disclosure**

(₹ in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current Operating Assets:** | | |
| In India | 48,678.42 | 48,182.80 |
| Outside India | - | - |
| **Total** | **48,678.42** | **48,182.80** |

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

**Geographic Information**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Revenue from external customers:** | | |
| In India | 97,132.16 | 1,02,144.07 |
| Outside India | 24,025.35 | 15,756.90 |
| **Total** | **1,21,157.51** | **1,17,900.97** |

### 43. Disclosure of Significant Interest in Subsidiaries as per Ind AS 27

| Sr. No. | Name of Entities | Relationship | Places of Business | Ownership as at | |
|---|---|---|---|---|---|
| | | | | March 31, 2020 | March 31, 2019 |
| 1 | AGL Industries Limited | Subsidiary | India | 100.00% | 100.00% |
| 2 | Amazoone Ceramics Limited | Subsidiary | India | 95.32% | 95.32% |
| 3 | Camrola Quartz Limited | Subsidiary | India | 0.00% | 51.00% |
| 4 | Powergrace Industries Limited | Step Subsidiary | India | 100.00% | 100.00% |
| 5 | Crystal Ceramic Industries Private Limited | Subsidiary | India | 70.00% | 70.00% |

**44.** The Holding Company has entered in to Joint Venture cum Shareholders Agreement with Paramshree Granito Private Limited, where by the Holding Company was holding 51% of Shares in Camrola Quartz Limited vide agreement dated January 15, 2018. The Board of the Company has approved the termination of Joint Venture cum Shareholders Agreement in its meeting held on February 13, 2020.

Accordingly the Joint Venture cum Shareholders Agreement was terminated and sale of shares Agreement was done by the Holding Company on March 18, 2020 and the transfer of shares also took place on March 18, 2020. So Financials of Camrola Quartz Limited have been considered till the date of March 18, 2020 in consolidation of books of accounts.

**45.** During the year, the officials of GST Department conducted search at the Holding Company's Registered Office, plant offices and one of the subsidiary, on December 31, 2019. In this regards, the Company has reversed GST input tax credit (ITC) of ₹ 57.43 Lakhs for goods purchased from the vendor. Management does not expect any further liability in this regard.

**46.** The Holding Company has incorporated Wholly owned subsidiary named AGL Global Trade Private Limited for trading business on March 17, 2020, however till March 31, 2020, the paid up capital was not subscribed due to lockdown.

### 47. In the opinion of Board of Directors

(a) Current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated.

(b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**48.** Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.

**49.** The figures pertaining to previous periods have been regrouped and restated wherever necessary, to make them comparable.

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2020

### 50. Additional information as required by Paragraph 2 of the general Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in Lakhs)

| Particulars | Net Assets | | Share of Profit & Loss | | Share of Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | % of Consolidated Net Assets | ₹ | % of Consolidated Profit & Loss | ₹ | % of Consolidated Other Comprehensive Income | ₹ | % of Consolidated Total Comprehensive Income | ₹ |
| **Parent** | | | | | | | | |
| Asian Granito India Ltd | 78.39% | 42,846.77 | 64.20% | 2956.17 | 93.63% | (19.22) | 64.07% | 2936.95 |
| **Subsidiaries** | | | | | | | | |
| Amazoone Ceramics Ltd | 5.89% | 3,218.35 | 7.02% | 323.25 | 3.12% | (0.64) | 7.04% | 322.61 |
| AGL Industries Ltd | 0.52% | 283.70 | 0.72% | 33.08 | - | - | 0.72% | 33.08 |
| Crystal Ceramics Industries Ltd | 16.89% | 9232.61 | 10.74% | 494.35 | 21.04% | (4.32) | 10.69% | 490.03 |
| Camrola Quartz Ltd | 0.00% | - | 9.89% | 455.40 | - | - | 9.93% | 455.40 |
| **Step Subsidiaries** | | | | | | | | |
| Powergrace Industries Ltd | 0.61% | 333.81 | 1.94% | 89.1 | (18.12%) | 3.72 | 2.02% | 92.82 |
| Inter Company Eliminations | (2.30%) | (1259.03) | - | - | - | - | - | - |
| **Associates** | | | | | | | | |
| Astron Paper & Board Mill Ltd | - | - | 5.50% | 253.23 | 0.34% | (0.07) | 5.52% | 253.16 |

**As per our report of even date attached**
For **R R S & Associates**
Chartered Accountants
ICAI Firm Reg. No.-118336W

**Rajesh Shah**
Partner
Membership No.-034549
Place: Ahmedabad
Date: June 30, 2020

**For and on behalf of the Board of Directors**

**Kamleshbhai B. Patel**
Chairman & Managing Director
DIN: 00229700

**Mukeshbhai J. Patel**
Managing Director
DIN: 00406744

**Amarendra Kumar Gupta**
Chief Financial Officer

**Renuka A. Upadhyay**
Company Secretary
Membership No.- F8040

Place: Ahmedabad
Date: June 30, 2020

# NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of **ASIAN GRANITO INDIA LIMITED** will be held on **Friday, 20th November, 2020 at 11.00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business:

## ORDINARY BUSINESS:

1. **Adoption of Financial Statements**

   To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the Board's Report and the Auditors' Report thereon.

2. **Declaration of Dividend**

   To recommend a final dividend of 7% per equity share of fully paid up face value of ₹ 10/- each for the financial year 2019-20.

3. **To Appoint a Director in place of Mr. Kanubhai B Patel (DIN: 00386852), Director, who retires by rotation, and being eligible, offers himself for re-appointment.**

## SPECIAL BUSINESS:

4. **To consider and approve increase Authorised Capital of the Company from ₹ 36,25,00,000/- to ₹ 47,50,00,000/- and alter Memorandum of Association accordingly.:**

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

   **"RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from the present ₹ 36,25,00,000 (Rupees thirty six Crores Twenty Five Lacs only) consisting of 3,62,50,000 (Three Crore Sixty two lakh fifty thousand) Equity Shares of ₹ 10/- (Rupees Two) each to ₹ 47,50,00,000 (Rupees Forty Seven Crores Fifty Lakh only) consisting of 4,75,00,000 (Four Crores Seventy five Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten) each."

   **"RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

   V. The Authorised Share Capital of the Company shall be ₹ 47,50,00,000 (Rupees Forty Seven Crores Fifty Lakh only) divided into 4,75,00,000 (Four Crores Seventy five Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company.

5. **To consider and approve Sub division of Shares from ₹ 10/- fully paid up to ₹ 2/- fully paid up.**

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

   **"RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re- enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies) equity share of the Company having a face value of ₹ 10/- each fully paid-up be sub-divided into 5 (Five) equity shares of the face value of ₹ 2 / - each fully paid-up.

   **RESOLVED FURTHER THAT** the Memorandum of Association of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

   V. The Authorised Share Capital of the Company is ₹ 47,50,00,000 (Rupees Forty Seven Crores Fifty Lakh only) divided into 23,75,00,000 (Twenty Three Crore Seventy Five Lakh) Equity Shares of ₹ 2/-(Rupee Two) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company."

   **RESOLVED FURTHER THAT** on sub-division, 5 (Five) equity shares of face value of ₹ 2/- each be issued in lieu of existing 1 (one) equity share of ₹ 10/- each subject to the terms of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid Equity Shares of ₹ 10/ - each of the Company and shall be entitled to participate in full after the subdivided equity shares are issued.

**RESOLVED FURTHER THAT** on sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may, without requiring the surrender of the existing share certificate(s), issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of equity shares held in the dematerialised form, the number of sub divided equity shares be credited to the respective beneficiary accounts of the Members with the depository participants, in lieu of the existing credits representing the equity shares of the Company before sub-division.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

6. **To accord consent to the Board to create, offer, issue and allot securities upto ₹ 400 Crores pursuant to section 62(1) (c) and other applicable provisions of the companies act, 2013 and other applicable laws:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof, for the time being in force, the "Companies Act"), the provisions of the Memorandum and Articles of Association of the Company, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations"), the provisions of the Foreign Exchange Management Act, 1999, ("FEMA") and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the Stock Exchanges and / or any other competent authorities from time to time to the extent applicable, and subject to such required further approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GOI and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of equity shares of the Company of face value 10/- or ₹ 2/- each as the case may be at the time of issue of shares ("Equity Shares"), by way of Preferential Issue/Private Placement/ Bonus Issue, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares subject to the alteration of capital clause in Memorandum and Articles of Association of the Company, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/ or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/ or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in one or more foreign markets and/or domestic market, by way of one or more public and/or private offerings, Qualified Institutions Placement ("QIP") and/ or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate amount

not exceeding ₹ 400 Crores (Rupees Four Hundred Crore) or equivalent thereof, in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment in trenches or otherwise shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the "Issue")."

**"RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions: (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects."

**"RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time."

**"RESOLVED FURTHER THAT** any issue of Eligible Securities made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the "QIP Floor Price"). The Company may, however, in accordance with applicable law, also offer a discount of not more than 5% (Five Percentage) or such percentage as permitted under applicable law on the QIP Floor Price. "

**"RESOLVED FURTHER THAT** in the event that Equity Shares are issued to QIBs by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares."

**"RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, (including any amendments thereto or re-enactment thereof, for the time being in force) and other applicable pricing provisions issued by the Ministry of Finance."

**"RESOLVED FURTHER THAT** in the event of the issue of Securities as aforesaid by way of Preferential Issue in terms of Chapter V of SEBI (ICDR) Regulations, as amended from time to time and the relevant provisions/ rules of/ under Companies Act, 2013:

a) The relevant date for the purpose of determining the pricing of the Securities would, pursuant to Chapter V of the SEBI (ICDR) Regulations, and/ or other applicable regulations, be, in case of issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue, or in case of preferential issue of convertible securities, either the relevant date referred to above or a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares;

b) The tenure and pricing shall be determined in compliance with principles and provisions set out in regulation 162, 164, 165 and 166 of Chapter V of the SEBI (ICDR) Regulations, as amended from time to time;

c) The Securities so issued would be locked-in as set out in regulation 167 of Chapter V of the SEBI (ICDR) Regulations, as amended from time to time;

d) The allotment of the Securities so issued shall be completed within a period of 15 days from the passing of the shareholders' resolution or from the date of receipt of any approval or permission by any regulatory authority.

**"RESOLVED FURTHER THAT** the Issue to the holders of the Securities, which are convertible into or exchangeable with equity shares at a later date shall be, inter alia, subject to the following terms and conditions: (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto; (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall

be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; (c) in the event of merger, amalgamation, takeover or any other reorganization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares, Securities, non-convertible debentures or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies.".

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalization of the timing of the Issue, identification of the investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, signing of declarations, creation of mortgage/ charge, utilization of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or any director(s) or any other officer(s) of the Company in such manner as they may deem fit in their absolute discretion."

7. **To make loan and investment or give guarantee or provide security by company upto ₹ 500 Crores u/s. 186 of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to the provisions of the Section 186 read with Section 179 (3)(e)(f) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals, concerns, sanctions and permissions of appropriate authorities, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to make loan(s) in one or more tranches and/or give guarantee(s) / provide any security(ies) in connection with the loans made to the Company / Associate Company (s) / Any other Company (s)/ Other body corporate(s)/ Any person by any Banks/Financial Institutions/NBFC's/ Bodies Corporate and/or any other person, and/or to make investment by acquisition, subscription, purchase or otherwise the securities of any other body corporate upto a limit of ₹ 500,00,00,000/- (Rupees Five Hundred Crores) notwithstanding that investments along with Company's existing loans or guarantee/ security or investments shall be in excess of the limits prescribed under Section 186 aforesaid."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

8. **To advance loan or give guarantee or provide security in connection with any loan taken by any person in whom any of the Director of the company is interested u/s. 185 of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to Section 185(2) and all other applicable provisions of the Companies Act, 2013 read with

Companies (Amendment) Act, 2017 and Rules made there under as may be amended, from time to time, consent of the members of the Company be and is hereby accorded to Board of Directors, directly or indirectly, to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any specified entities which is a subsidiary or associate or joint venture of the Company, any other Companies in which any of the directors of the Company is deemed to be interested upto an aggregate sum of ₹ 500 Crores (Rupees Five hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, sanction and disburse the loans to any person in whom any of the directors of the company is interested, and also to delegate all or any of the above powers to the respective committee of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

**9. To approve Asian Granito India Limited Employees Stock Option Scheme – 2020**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re–enactment thereof) and in accordance with the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"),the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the approval of the Members of the Company be and is hereby accorded to the introduction and implementation of Asian Granito India Limited Employees Stock Option Scheme – 2020("Scheme")through direct route and the Board of Directors (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, offer, issue and allot or grant from time to time, in one or more tranches, not exceeding 6,00,000 (Six Lakhs) Employee Stock Options ("Options") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), to such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Directors, of the Company and its Subsidiary Company(ies) and also excluding an Employees who are a Promoters or persons belonging to the Promoter Group; or a Directors who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("Eligible Employees"), exercisable into 6,00,000 (Six Lakhs) Equity Shares of face value ₹ 10/- or ₹ 2/- each as the case may be at the time of issue of shares (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), on such terms and conditions as may be fixed or determined in accordance with the Scheme.

**RESOLVED FURTHER THAT** the maximum limits of Options that may be granted under the Scheme to the Non – Executive Directors of the Company, in any financial year and in aggregate shall 12,500 and 50,000 respectively.

**RESOLVED FURTHER THAT** the Scheme shall be implemented through direct route via cash mechanism wherein the Company will allot fresh Equity Shares to the Employees upon successful exercise of Options in accordance with terms and conditions of the Scheme.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee of the Company is hereby designated as Compensation Committee pursuant to SEBI (SBEB) Regulations, 2014 for, inter-alia, administration and superintendence of this Scheme and is accordingly authorized to devise, formulate, evolve, decide upon and bring into effect the Scheme as per the terms approved in this resolution read with the conditions with which consent from Shareholders is received and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate the scheme, subject to compliance with the SEBI (SBEB) Regulations, 2014 and other applicable laws, rules and regulations, as may be prevailing at that time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme, subject to the compliance with the applicable laws and regulations and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders of the Company and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

**RESOVED FURTHER THAT** for the purpose of bringing into effect and implementing the Scheme and generally for giving effect to these resolutions, Mr. Mukeshbhai M. Shah, Director and/or Mr. Hemendrakumar C. Shah, Director and/or Mr. Amrutbhai Patel, Director and/or Mr. Kamleshkumar B. Patel, Chairman and Managing Director be and are hereby severally and/or jointly authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose, including but not limited to filing of necessary forms with appropriate authorities, admission of shares allotted under the scheme with the depositories, listing of Shares with the Stock exchanges etc. and may delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents as may be necessary in this regard."

**10. Approval of grant of stock options to the employees of subsidiary company (ies) under Asian Granito India Limited Employees Stock Option Scheme – 2020.**

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

**"RESOLVED THAT** pursuant to Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations"), the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re–enactment thereof), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of Asian Granito India Limited Employees Stock Option Scheme – 2020 ("Scheme") including the grant of Employee Stock Options ("Options") and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director, of the Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ("Eligible Employees"), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

Registered Office & Corporate Office:
202, Dev Arc, Opp. Iskon Temple,
S. G. Highway,
Ahmedabad – 380 015

Date: 23rd October, 2020
Place: Ahmedabad

By Order of the Board
For **Asian Granito India Limited**

**Renuka A. Upadhyay**
DY.GM (Legal & Secretarial)
& Company Secretary

## Notes:

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the physical presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue.

2. In accordance with the MCA and SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/ OAVM is annexed hereto.

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA and SEBI Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through electronic voting ("e-voting").

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditor, Scrutinizer etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. Dividends are now taxable in the hands of shareholders hence shareholders are requested to submit form 15G/15H/10F, as the case may be for tax exemption directly on the portal of our RTA i.e. LinkIntime India Private Limited.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://www.aglasiangranito.com/. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

10. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act) in respect of Special Business to be transacted at the 25$^{th}$Annual General Meeting (the 'AGM' or 'Meeting'), is annexed and forms part of this Notice.

11. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/ OAVM are requested to send to the Company at **cs@aglasiangranito.com**, a certified copy of the Board Resolution/Authority letter authorising their representative to attend and vote on their behalf at the Meeting through e-voting

12. Additional information of Mr. Kanubhai B. Patel, pursuant to Regulation 36 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 read with the Secretarial Standard on General Meetings (SS 2), in respect of Directors seeking reappointment at the AGM is annexed herewith as **Annexure A.**

13. At the 24th AGM held on September 30, 2019 the Members approved appointment of RRS & Associates, Chartered Accountants (Firm Registration No.118336W)) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 29thAGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away with the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the fourteenth AGM.

14. Only bonafide members of the Company whose names appear on the Register of Members will be permitted to attend the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the AGM.

15. As per the provision of Section 72 of the Act, the facility for making Nomination is available for the members in respect of their shareholding in the Company either in single or with joint names. The members are requested to submit the complete and signed form SH-13 with their Depository Participant (DP) who holds the shares in dematerialized form and those who are holding physical shares shall send the same to the Registrar and Share Transfer Agent – Link Intime India Pvt. Ltd. (the 'RTA').

16. Members holding shares in physical form are requested to notify/send the following to the RTA of the Company:
    i. Any change in their mailing address;
    ii. Particulars of their bank account, pan no. & e-mail ids in case the same have not been sent earlier;
    iii. Members who hold shares in physical form in multiple folios in identical names are requested to send the share certificate for consolidation into single folio.

    Further, please note that Members holding equity shares in electronic form are requested to contact to their DP with whom they are maintaining the demat accounts for updation in address, pan no., e-mail IDs, Bank details, Bank mandate, ECS mandate, etc.

17. 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 Directors are interested under Section 189 of the Act will be available for inspection.

18. The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 11th November, 2020 to Friday, 20th November, 2020** (both days inclusive) in terms of the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of the AGM and determining names of the shareholders eligible for final dividend on equity shares, if declared at this AGM.

19. The dividend as recommended by the Board of Directors of the Company (7% per equity share of ₹ 10/- each), if declared at the AGM, will be paid on or before the 30th day from the date of declaration, to those members or their mandates:

    a) Whose names appear in the list of Beneficial Owners as at the end of business hours on **Tuesday, 10th November, 2020** in the lists of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited immediately before commencement of the Book closure in respect of shares held in electronic form; and

    b) Whose names appear as member in the Register of Members of the Company after giving effect to the valid transfers in physical forms lodged with the Company and the RTA of the Company on or before **Tuesday, 10th November, 2020**.

20. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Company's Registrars and Transfer Agent (RTA). In case any unclaimed Dividend Warrant is lying with any member, the same should be forwarded to RTA for revalidation.

    Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.

    Further, provisions of Section 124 of the Companies Act, 2013 read with Rule 6 of IEPF Rules as amended, inter alia, mandates the Company to transfer all such shares, in respect of which dividend have not been paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority.

    Unclaimed dividend information is available on the website of IEPF viz. www.iepf.gov.in and also on the website of the Company www.aglasiangranito.com

21. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. However, the members having their shareholding in the Demat form are requested to provide their PAN details to their respective DPs and those who have shares in physical mode are requested to provide their PAN details to the Company or the RTA of the Company.

22. (a) The electronic copy of the Annual Report with the Notice of the AGM for the financial year ending 31st March, 2020 is being sent to all the members whose email IDs are registered with the Company/ DPs.

    (b) We urge members to update your email addresses with the Company or DPs.

23. The Notice of AGM and the Annual Report for the year ended 31st March, 2020 are available at the Company's website www.aglasiangranito.com. The Notice of the AGM is also available on https://www.evoting.nsdl.com

24. The Company has dedicated E-mail address info@aglasiangranito.com/ cs@aglasiangranito.com for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.

25. Members desirous of getting any information about the Financial Statements and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company at 202, Dev Arc, Opp. Iskon Temple, S. G, Highway, Ahmedabad 380015, ten (10) days before the AGM enabling the Company to keep the information ready.

26. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including amendment thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the items of business given in the Notice of the AGM may be transacted through e-voting services. The facility of casting vote through e-voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited ('NSDL').

27. The remote e-voting period commences at 09:00 a.m. IST on Tuesday, 17thNovember, 2020 and ends at 5:00 p.m. IST on Thursday, 19th November, 2020. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-off date of **Tuesday, 10th November, 2020** ('Cut-off date'),may cast their vote by remote e-voting. No remote e-voting shall be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled for voting upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

28. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **Tuesday, 10th November, 2020**.Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **10th November, 2020**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or ahmedabad@linkintime.co.in.

29. Mr. Rajesh Parekh, Practicing Company Secretary (Membership No. A8073) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

30. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith. The result declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website http://www.aglasiangranito.com and on the website of NSDL immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.

31. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.

32. Voting process and instruction regarding e-voting:

**The instructions for shareholders voting electronically are as under:**

The voting period begins on 09:00 a.m. IST on Tuesday, 17thNovember, 2020 and ends at 5:00 p.m. IST on Thursday, 19thNovember, 2020. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 10th November, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

**The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:**

**Step 1: Log-in to NSDL e-Voting system at** https://www.evoting.nsdl.com/

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@csrajeshparekh.inwith a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Nipul Shah) at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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 cs@aglasiangranito.com.

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@aglasiangranito.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

## THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF 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 Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at cs@aglasiangranito.com.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@aglasiangranito.com. The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## ANNEXURE TO THE NOTICE

Explanatory Statement in respect of special businesses pursuant to Section 102(1) of the Companies Act, 2013:

### Item No.4

The Current Authorized Capital of the Company is ₹ 36,25,00,000/- (Rupees Thirty Six Crores Twenty Five Lacs only) and the paid up share capital of the Company is ₹ 30,93,74,460 (Rupees thirty Crore Ninety Three Lakhs Seventy Four Thousand Four Hundred Sixty only). The Company proposes to increase its authorized share capital to ₹ 47,50,00,000/- (Rupees Forty Seven Crores Fifty Lakh only) to facilitate any fund raising in future via either equity issue (either direct placement, such as QIP/ADR, or via convertible instruments, such as warrants) and/or Debt instruments etc.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause 5 of the Memorandum of Association of the Company.

Pursuant to Section 13 and 62 the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

### Altered Clause V of Memorandum of Association as under

V. The Authorised Share Capital of the Company shall be ₹ 47,50,00,000 (Rupees Forty Seven Crores Fifty Lakh only) divided into 4,75,00,000 (Four Crores Seventy five Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten) each.

The Board recommends this Ordinary Resolutions for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Ordinary Resolution except to the extent of their shareholding.

### Item No.5

The equity shares of your Company are listed on the National Stock Exchange of India Limited, BSE Limited and are actively traded on the National Stock Exchange of India Limited and BSE Limited. With a view to encourage the participation of small investors by making equity shares of the Company affordable, the Board of Directors proposed to consider and approve the sub-division of one equity share of the Company having a face value of ₹ 10/-(Rupees Ten only) each into 5 (FIve) equity shares of face value of ₹ 2/- (Rupee Two only) each subject to approval of the Members and any other statutory and regulatory approvals, as applicable.

The provisions of Section 61 of the Companies Act, 2013 require the Company to seek approval of members to the Sub-division of equity share capital of the Company.

The Company, pursuant to the provisions of Section 13, 61 and 64 of the Companies Act, 2013 and rules framed there under, intends to change the Authorized Share capital as mentioned in Memorandum of Association of the Company due to change in Face Value of existing 1 Equity Shares of ₹ 10/- being subdivided into 5 Equity Share of ₹ 2/- each. In view of this, the Company intends to broad base its capital for growth, expansion.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, alteration of Authorized Share Capital under Memorandum of Association of the Company requires approval of the Shareholders of the Company by way of Special Resolution and hence the Board recommends the ordinary Resolution set out in Item No. 5 of this notice for approval by the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

The Board recommends this Special Resolutions for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Ordinary Resolution except to the extent of their shareholding.

**Item No.6**

The Company enabling the Board to create, issue, offer and allot Equity Shares by way of Preferential Allotment/Private Placement, Convertible Debentures, preference shares subject to amendment in capital clause of Memorandum and Articles of Association of the Company and such other securities as stated in the resolution (the "Securities"), including by way of a qualified institutions placement in accordance with Chapter VI of the SEBI ICDR Regulations, in one or more tranches, at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

This special resolution enables the Board to issue Securities for an aggregate amount upto ₹ 400.00 Crore (Rupees Four Hundred Crores Only) or its equivalent in any foreign currency. The Board shall issue Securities pursuant to this special resolution or any further approvals required from members of the company, SEBI, Stock exchanges, GOI and other statutory authorities and utilize the proceeds to meet capital expenditure and working capital requirements of the Company and general corporate purposes. The special resolution also seeks to empower the Board to issue Eligible Securities by way of QIP to QIBs in accordance with Chapter VI of the SEBI ICDR Regulations. The pricing of the Eligible Securities that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board (including Committee thereof) decides to open the QIP for subscription. As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends this Special Resolutions for your approval.

None of the Directors, Manager, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution except to the extent of their/related parties shareholdings in the Company.

**Item No.7**

The provisions of Section 186 read with Section 179(3)(e)(f) of the Companies Act, 2013 ("the Act") and the Companies (Meetings of Board and its Powers) Rules, 2014, interalia, provide that no Company shall directly or indirectly

1. give any loan to any person or other body corporate ;
2. give any guarantee or provide security in connection with a loan to any other body corporate or person; and
3. acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of the paid up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified under section 186 of the Act as aforesaid, prior approval by means of Special Resolution passed at the General Meeting is necessary.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, the approval of Members of the Company is therefore sought by way of Special Resolution pursuant to the provisions of Section 186 of the Act to give powers and authority to the Board of Directors of the Company for giving any loan or guarantee or providing security in connection with a loan, to any person or other body corporate or to make investment by way of subscription, purchase or otherwise in the securities of any other body corporate, upto an amount the aggregate outstanding of which shall not exceed at any given time ₹ 500 Crores (Rupees Five Hundred Crores only).

The proposed Special Resolution as set out in Notice is enabling in nature for any further loan/investment/guarantee/ security, to be made or given to bodies corporate/to any Banks, Financial Institutions or any other person as per the provisions of the Act authorizing and empowering the Board of Directors of the Company to take the appropriate decisions in this regard at the appropriate time(s) in the best interest of the business of the Company.

Save or except the above no other Director and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in respect of the said resolution.

The Board recommends this Special Resolutions for your approval.

**Item No.8**

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018.

In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement. The management is of the view that the Company may be required to deploy surplus funds, if available in its subsidiary Companies or to any other body corporate(s) in which the Directors of the Company are interested, as and when required.

Full particulars of the loans given and proposed Loan, guarantee, any security to be provided in connection with any loan taken Companies in which any of the Director of the company is interested:

**Loan Given:**

Crystal Ceramic Industries Private Limited. => ₹ 9.52 Crores

Amazoone Ceramics Limited => ₹ 4.60 Crores

**Amount of Loan proposed to be given to the following parties:**

Crystal Ceramic Industries Private Limited. => Not exceeding ₹ 20 Crores

Amazoone Ceramics Limited => Not exceeding ₹ 25 Crores

**Purpose:** Principal business activities by the recipient of the loan or guarantee or security.

**Rate of Interest:** Minimum 9.00%

**Term:** As may be specified by Board.

**Recovery:** For Loan: On demand

For Guarantee and Security: As per terms and conditions of the lender bank.

Sanction of loan will be at the sole discretion of the Management from time to time. The above mentioned amount of Loan and Rate of Interest is subject to review by the management from time to time.

The Board of Directors recommend the approval of above loans/guarantees/securities given by passing of the said Special Resolution by the members of the company.

Mr. Kamleshbhai B. Patel, Mr. Mukeshbhai J. Patel, Mr. Sureshbhai J. Patel, Mr. Kanubhai B. Patel, Mr. Bhogibhai B. Patel and Mr. Bhaveshbhai V. Patel are interested in the resolution set out at Item No. 8.

Save or except the above no other Director and/or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in respect of the said resolution.

The Board recommends this Special Resolutions for your approval.

**Item No.9 and 10**

Equity based remuneration includes alignment of personal goals of the Employees with Organisational objectives by participating in the ownership of the Company. The Board of Directors (hereinafter referred to as the **"Board of Directors"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association

and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key Employees and to create a sense of ownership and participation amongst them, the Board of Directors in its meeting held on 19th August, 2020, approved Asian Granito India Limited Employees Stock Option Scheme – 2020 **("Scheme")** to or for the benefit of such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director, of the Company and its Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time **("Eligible Employees")**.

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **("SEBI (SBEB) Regulations")** and Section 62 and other applicable provisions of the Companies Act, 2013, for issue of Equity Shares to the Employees of the Company, the approval of the existing Members by way of Special Resolution is required. The Special Resolution set out at Item No. 9 is seeking your approval for the formulation and implementation of the Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, approval of the Members by way of separate Special Resolution is also required for grant of Options to the Employees of Subsidiary Company(ies). The Special Resolution set out at Item No. 9 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB) Regulations are as under:

**1. Brief description of the Scheme:**

The Scheme shall be called as Asian Granito India Limited Employees Stock Option Scheme – 2020.

The Purpose of the Scheme includes the followings:

a. To motivate the Employees to contribute to the growth and profitability of the Company.

b. To retain the Employees and reduce the attrition rate of the Company.

c. To achieve sustained growth and the creation of Shareholder value by aligning the interests of the Employees with the long term interests of the Company.

d. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and

e. To provide additional deferred rewards to Employees.

**2. Total number of Options to be granted under the Scheme:**

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 6,00,000 which shall be convertible into equal number of Equity Shares.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors.

Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action **(as defined in the Scheme)**.

**3. Identification of classes of employees entitled to participate and be beneficiaries in Scheme:**

a. A permanent Employee of the Company who has been working in India or outside India; or

b. a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director; or

c. an Employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India

But does not include:

a. an Employee who is a Promoter or a person belonging to the Promoter Group; or

b. A Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

**4. Requirement of Vesting and period of Vesting:**

Vesting period shall commence after minimum 1 (One) year from the grant date and it may extend upto maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors.

The vesting schedule will be clearly defined in the grant letter of respective Employees. The Actual vesting may further be linked with the eligibility criteria, as determined by the Board of Directors in accordance with the Scheme, the same will be mentioned in the grant letter.

**5. Maximum period within which the Options shall be vested:**

The Options granted under the Scheme shall vest within a maximum period of 4 years from the grant date.

**6. Exercise Price or Pricing Formula:**

The exercise price will be decided by the Board of Directors on the basis market price as defined in the Scheme.

For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting on which the grant is made.

Explanation – If the Shares of the Company got listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

The Board of Directors has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

**7. Exercise period and process of Exercise:**

The exercise period shall be 1 year from the date of respective vesting.

After vesting, Options can be exercised through cash route under which the Employee will receive the Equity Shares equivalent to the number of the Options exercised in accordance with the terms and conditions of the Scheme after he has submitted the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

The mode and manner of the exercise shall be communicated to the Employees individually.

8. **Appraisal process for determining the eligibility of the Employees to Scheme:**

The Board of Directors may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the Board of Directors.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Board of Directors from time to time.

9. **The Maximum number of Options to be granted per Employee and in aggregate:**

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Board of Directors may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 6,00,000 which shall be convertible into equal number of Equity Shares.

10. **The Maximum quantum of benefits to be provided per Employee under the scheme:**

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of exercise of Options and the Exercise Price paid by the Employee.

11. **Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:**

The Scheme shall be implemented through direct route via cash mechanism wherein the Company will allot fresh Equity Shares to the Employees upon successful exercise of Options in accordance with terms and conditions of the Scheme.

The Scheme shall be administered by the Nomination and Remuneration Committee which may delegate some or all of its power to any Committee or Persons for proper administration of the Scheme

12. **Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both**

The Scheme involves new issue of Equity Shares by the Company.

13. **The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.;**

**Not Applicable** as the Scheme is to be implemented through direct route via cash mechanism.

14. **The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme.**

**Not Applicable** as the Scheme is to be implemented through direct route via cash mechanism.

15. **Disclosure and accounting policies:**

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations or as may be prescribed by regulatory authorities from time to time.

16. **The method which the Company shall use to value its Options.**

The Company shall comply with the requirements of IND-AS and shall use Fair Value method.

17. **Statement with regard to Disclosure in Director's Report**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options those may be granted under the said Scheme.

The Board of Directors of the Company recommends the Resolutions to be passed as Special Resolutions as set out at Item No. 9 for approval of the Members.

## Annexures:

### Annexure A

Information pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General meetings ('SS-2') issued by the Institute of Company Secretaries of India regarding the Director proposed to be re-appointed:

| **Name of Director** | **Mr. Kanubhai Bhikhabhai Patel(DIN: 00386852)** |
|---|---|
| Date of Birth | 27th July, 1978 |
| Age as on 31st March, 2020 | 42 years |
| Date of first appointment | 11th May, 2011 |
| Qualification | B.Com |
| Experience and Expertise | He joined the Company in the year 2011. He is having expertise in the line of Ceramic Industries for more than 18 years.<br>He obtained detailed knowledge and understanding of the Company during his stint under various capacities in the Company. His expertise in IT, Administration and finance function along with entrepreneurial acumen and<br>Leadership qualities guided the Company. With such in-depth knowledge of the Company's functioning he brings immense value in enhancing Board effectiveness. |
| Terms and conditions of re-appointment | There is no change in the terms and conditions relating to appointment of Mr. Kanubhai B. Patel as Director of the Company, as approved by the members at the AGM held on 23rd day of September, 2017. |
| Remuneration sought and last drawn | As mentioned in the Report on Corporate Governance. |
| Shareholding in the Company as on 31st March, 2020 and 23rd October, 2020 | 1,53,299 Equity shares |
| Relationship with other Directors and Key Managerial Personnel of the Company | N.A |
| No. of Board Meetings attended during the financial year 2019-20 | 5(Five) |
| Directorships held in other public Limited Companies including other Listed Companies | 1 (One) |
| Chairmanship/ Membership of the Committee of Board of Directors of the Company* | NIL |
| Chairmanship/ Membership of the Committee of the Board of Directors of other Public limited Companies* | NIL |

Note: * The Committee of the Board of Directors includes only Audit committee and Stakeholders Relationship committee as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.

Registered Office & Corporate Office:
202, Dev Arc, Opp. Iskon Temple,
S. G. Highway,
Ahmedabad – 380 015

By Order of the Board
For **Asian Granito India Limited**

**Renuka A. Upadhyay**
DY.GM (Legal & Secretarial)
& Company Secretary

Date: 23rd October, 2020
Place: Ahmedabad

# NOTES

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Kamleshbhai Patel**
Chairman and Managing Director

**Mr. Mukeshbhai Patel**
Managing Director

**Mr. Sureshbhai Patel**
Executive Director

**Mr. Bhaveshbhai Patel**
Executive Director

**Mr. Kanubhai Patel**
Executive Director

**Mr. Bhogibhai Patel**
Executive Director

**Mr. Hemendrakumar Shah**
Independent Director

**Mr. Mukesh Shah**
Independent Director

**Mrs. Dipti Mehta**
Independent Director

**Mr. Amrutbhai Patel**
Independent Director

**Mr. Premjibhai Chaudhari**
Independent Director

**Dr. Indira Nityanandam**
Independent Director

## KEY-MANAGERIAL PERSONNEL

**Mr. Kalidas Jivabhai Patel**
Chief Financial Officer (Till 12.11.2019)

**Mr. Amarendra Kumar Gupta**
Chief Financial Officer (w.e.f. 15.11.2019)

**Mrs. Renuka A. Upadhyay**
Company Secretary and Compliance Officer

## AUDIT COMMITTEE

**Mr. Hemendrakumar Shah**
Chairman

**Mr. Premjibhai Chaudhari**
Member

**Mr. Kamleshbhai Patel**
Member

## NOMINATION & REMUNERATION COMMITTEE

**Mr. Mukeshbhai M. Shah**
Chairman

**Mr. Hemendrakumar C. Shah**
Member

**Mr. Amrutbhai Patel**
Member

**Mr. Kamleshbhai B. Patel**
Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

**Dr. Indira Nityanandam**
Chairperson

**Mr. Kamleshbhai Patel**
Member

**Mr. Amrutbhai Patel**
Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mr. Kamleshbhai Patel**
Chairman

**Mr. Mukeshbhai Patel**
Member

**Dr. Indira Nityanandam**
Member

## BANKERS

State Bank of India
HDFC Bank
IDBI Bank

## REGISTERED & CORPORATE OFFICE

202, Dev Arc, Opp. Iskon Temple, S. G. Highway,
Ahmedabad – 380059
Tel. 079 66125500/698, Fax. 079 66125600/66058672
Email: info@aglasiangranito.com
Web: www.aglasiangranito.com
CIN: L17110GJ1995PLC027025

## PLANTS

1. Ceramic Zone, Katwad Road,
   At & Po. Dalpur, Taluka Prantij 383 120,
   Dist.: Sabarkantha.
2. Plot No. 767, Nr. JTI, Kheda- Dholka Highway,
   Village: Radhu, Dist: Kheda
3. Behind Sardar Plant, Idar-383430, Dist. Sabarkantha

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime (India) Private Limited
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre, Near XT Xavier's College Corner
Off C G Road, Navarangpura, Ahmedabad-380009
Tel. +91 79 26465179 /86 /87
E-mail id: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

## SCRIP CODE:

BSE CODE: 532888
NSE CODE: ASIANTILES
ISIN: INE022I01019

## STATUTORY AUDITORS

M/s. RRS & Associates
Chartered Accountants

## SECRETARIALAUDITORS

M/s. Rajesh Parekh & Co
Company Secretaries

Asian Granito India Ltd.

*Beautiful Life*

**Regd. & Corp. Office:**
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S.G. Highway, Ahmedabad - 380 015,
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