

CERA



ANNUAL REPORT  
2021-22

INFINITE GROWTH.  
**ENDLESS POSSIBILITIES.**

# New Arrival - Sanitaryware



## CAFÉ

Thin rim table top Wash basin  
Finish - Matt outside &  
Glossy inside  
600 x 400 x 160 mm

Cat. No. S2020103  
Matt Black

- Thin rim for better aesthetics and large bowl area

## CARNIVAL

Rimless wall hung EWC P  
Finish - Matt outside & Glossy inside  
Duroplast soft close seat cover  
510 x 365 x 380 mm

Cat. No. S1044144MB  
Matt Black

- Modern curvy design
- Rimless for better hygiene
- Smart Installation for seamless body
- Duroplast soft close seat cover for ceramic-like finish



## CARNIVAL

Rimless wall hung EWC P  
Finish - Matt outside & Glossy inside  
Duroplast soft close seat cover  
510 x 365 x 380 mm

Cat. No. S1044144BW  
Matt Black EWC &  
Matt White Seat Cover

- Modern curvy design
- Rimless for better hygiene
- Smart Installation for seamless body
- Duroplast soft close seat cover for ceramic-like finish



**Board of Directors**

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Joint Managing Director
Shri Sajan Kumar Pasari	- Independent Director
Shri Lalit Kumar Bohania	- Independent Director
Shri Surendra Singh Baid	- Independent Director
Ms. Akriti Jain	- Independent Director
Shri Ayush Bagla	- Executive Director
Shri Anupam Gupta	- Executive Director (Technical) (w.e.f. 15 <sup>th</sup> October, 2021)

**Chief Financial Officer**

Shri Rajesh B. Shah

**Company Secretary**

Shri Hemal Sadiwala

**Bankers**

State Bank of India

**Auditors**

N. M. Nagri & Co.,  
Chartered Accountants,  
Ahmedabad.

**Registered Office**

9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.  
www.cera-india.com; Phone : (02764) 243000, 242329  
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

**Corporate Office**

7<sup>th</sup> & 8<sup>th</sup> Floor, B Wing, "PRIVILON", Ambli BRTS Road, ISKCON Cross Roads, Ahmedabad - 380 059.

**Works**

- 1) Sanitaryware and Faucetware Plants :  
9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.
- 2) Wind Farms :
  - a) Vill. & Tal. Kalyanpur, Dist. Devbhumi Dwarka, Gujarat.
  - b) Vill. Kadoli, Tal. Abdasa, Dist. Kutch, Gujarat.
  - c) Vill. Jivapar (Anandpar), Tal. Chotila, Dist. Surendranagar, Gujarat.
  - d) Vill. Mota Gunda, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.
  - e) Vill. Navagam, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.

**Registrar & Share Transfer Agent**

MCS Share Transfer Agent Limited  
201, Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.

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**24<sup>th</sup> Annual General Meeting at 11.30 a.m. on Thursday,  
the 30<sup>th</sup> day of June, 2022 through Video Conferencing / Other Audio Visual Means.**

## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Thursday, the 30<sup>th</sup> day of June, 2022 through Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Standalone and Consolidated Audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 including statement of Profit and Loss and Cashflow Statement for the year ended 31<sup>st</sup> March, 2022, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare a Final dividend of ₹ 20/- per equity share and special dividend of ₹ 15/- per equity share for the Financial Year 2021-22.
3. To appoint a director in place of Smt. Deepshikha Khaitan (DIN 03365068), who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Statutory Auditors and fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendation made by the Audit Committee to the Board, Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors N.M. Nagari & Co, Chartered Accountants (Firm Registration No. 106792W), to hold office for a term of five consecutive years from the conclusion of this 24<sup>th</sup> Annual General Meeting, until the conclusion of the 29<sup>th</sup> Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

**SPECIAL BUSINESS**

5. 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of ₹ 90,000/- p.a. plus out of pocket expenses and applicable taxes, if any for the financial year ending 31<sup>st</sup> March, 2023, as recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to K.G. Goyal & Co., Cost Accountants for conducting the Audit of the Cost records of the company be and is hereby ratified and confirmed.

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

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

**"RESOLVED THAT** pursuant to Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under including any amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force read with Schedule

IV to the Companies Act, 2013 Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, Shri Surendra Singh Baid (DIN 02736988), Independent Director of the Company, whose term of office as Independent Director expires on 31<sup>st</sup> March, 2023, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby re-appointed as an Independent Director of the Company (Not liable to retire by rotation) to hold office, for a second term of 5 (five) consecutive years upto 31<sup>st</sup> March, 2028.

**RESOLVED FURTHER** that pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members be and is hereby accorded to continue and hold office of Non-executive Independent Director of the Company by Shri Surendra Singh Baid (DIN 02736988), who will attain the age of 75 years during his current tenure of appointment i.e. upto 31<sup>st</sup> March, 2028."

7. To consider and, if thought fit, to pass with or without modification the following resolution as an **ordinary resolution**.

**"RESOLVED THAT** Shri Anupam Gupta (DIN 09290890) who was appointed as an Additional Director of the Company by Board of Directors w.e.f. 15<sup>th</sup> October, 2021 under section 161 of the Companies Act, 2013) and Article 137 of the Articles of Association of the Company and who hold the office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing proposing his candidature for the office of the director be and is hereby appointed as a director of the Company, who will be liable to retire by rotation."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

**"RESOLVED THAT** approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder, including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force for the appointment of and for the remuneration payable to Shri Anupam Gupta (DIN 09290890) as "Executive Director (Technical)" of the Company for a period of Three (3) years w.e.f. 15<sup>th</sup> October, 2021 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

**RESOLVED FURTHER THAT** Shri Anupam Gupta, Executive Director (Technical) will be liable to retire by rotation.

**RESOLVED FURTHER THAT** Executive Director (Technical) is also entitled to the benefits as per the rules of the Company, which the other senior executives / employees of the Company are entitled to.

**RESOLVED FURTHER THAT** the overall remuneration payable to Shri Anupam Gupta shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or the profits are inadequate, the Executive Director (Technical) will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Act or amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force subject to required disclosure and other compliance as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company, as it may deem fit."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203 Schedule V and any other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder, including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force for the re-appointment of and for the remuneration payable to Shri Ayush Bagla (DIN 01211591) as "Executive Director" of the Company for a period of Three (3) years w.e.f. 14<sup>th</sup> May, 2022 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT Shri Ayush Bagla, Executive Director will be liable to retire by rotation.

RESOLVED FURTHER THAT the Executive Director is also entitled to the benefits as per the rules of the Company, which the other senior executives / employees of the Company are entitled to.

RESOLVED FURTHER THAT the overall remuneration payable to Shri Ayush Bagla shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or the profits are inadequate, the Executive Director will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Act or amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force subject to required disclosure and other compliance as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company, as it may deem fit."

10. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special resolution**.

"RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, including any amendment(s), modification(s), replacement(s) or re-enactment thereof for the time being in force, for the re-appointment of and for the remuneration payable to Shri Vikram Somany (DIN 00048827) as "Chairman and Managing Director" of the Company for a period of Five (5) years w.e.f. 1<sup>st</sup> July, 2022 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT Shri Vikram Somany, Chairman and Managing Director will not be liable to retire by rotation.

RESOLVED FURTHER THAT the overall remuneration payable to Shri Vikram Somany shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Chairman and Managing Director is also entitled to the benefits as per the rules of the Company, which the other senior executives/ employees of the Company are entitled to.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or the profits are inadequate, the Chairman and Managing Director will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Act or amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force subject to required disclosure and other compliance as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company, as it may deem fit."

11. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special resolution**.

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force and Regulation 17(6)(a) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a sum not exceeding 1% p.a. of the net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies, Act 2013 and rules made thereunder, be paid to and distributed among the directors not in whole time employment of the Company in such manner, as the Board of Directors may from time to time determine and in default equally in each financial year of the company for a period of Five (5) financial years, commencing from 1<sup>st</sup> April, 2023 upto 31<sup>st</sup> March, 2028.

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

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi – 382 715  
Dist. Mehsana, Gujarat.  
10<sup>th</sup> May, 2022  
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors  
**For Cera Sanitaryware Limited**  
**Hemal Sadiwala**  
Company Secretary  
(ACS:20741)



## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, 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 to this Notice.
3. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@parikh-dave.com](mailto:evoting@parikh-dave.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MCS Share Transfer Agent Limited, Ahmedabad in case the shares are held by them in physical form.
5. The Register of Members and Share transfer book of the Company will remain closed from Wednesday 15<sup>th</sup> June, 2022 to Wednesday 22<sup>nd</sup> June, 2022 (both days inclusive).
6. The Board of Directors has recommended a final dividend of ₹ 20/- and a special dividend of ₹ 15/- per fully paid-up equity share of ₹ 5 /- each for the financial year 2021-22.
7. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
8. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2013-14 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the financial year 2014-15 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial Year	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2014-15	30-07-2015	125	30-08-2022
2015-16	29-07-2016	180	29-08-2023
2016-17	27-07-2017	240	27-08-2024
2017-18	30-08-2018	240	30-09-2025
2018-19	31-07-2019	260	30-08-2026
2019-20*	14-02-2020	260	14-03-2027
2020-21	04-08-2021	260	03-09-2028

\* Interim Dividend

9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, the Company has issued Newspaper advertisement on 02.06.2021 and Company has sent individual notices to the shareholders on 27.05.2021 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares have been transferred to the Investor Education and Protection Fund during year 2021-22. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in). Such shareholders are requested to claim their shares and unclaimed / unpaid dividend immediately.
10. Pursuant to SEBI Circular dated 3<sup>rd</sup> November, 2021 read with SEBI Circulars dated 14<sup>th</sup> December, 2021 and 25<sup>th</sup> January, 2022 on Common and Simplified Norms for processing Investor's Service, the shareholders holding shares in Physical mode are mandatorily required to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/ Registrar & Share Transfer Agent (RTA) of the Company. The salient features and requirements of the circular are as follows:
  - A) If case of Non - updation of KYC - Folios wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid. And eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.
  - B) The relevant formats for Nomination and Updation of KYC details viz: Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company website as well as the website of MCS Share Transfer Agent Ltd. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to

submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.

- C) Mandatory Linkage of PAN with Aadhaar - As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2023. A communication in this regard was sent to physical shareholders by in February, 2022. Security holders who are yet to link the PAN with Aadhaar number are requested to get the same done before 31<sup>st</sup> March, 2023. Post 31<sup>st</sup> March, 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhaar number. The folios in which PAN is / are not valid as on the notified cut-off date of 31<sup>st</sup> March, 2023 or any other date as may be specified by the CBDT, shall also be frozen.

In view of the above, we request you to submit the KYC Form, duly completed along with Investor Service Request Form ISR-1 and the required supporting documents as stated in Form ISR-1 at the earliest MCS Share Transfer Agent Ltd.

Necessary communication through letters have been sent to all the physical shareholders in this regard in the month of February, 2022.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021 and May 13, 2022, Notice of the AGM alongwith the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.ceraindia.com](http://www.ceraindia.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) & National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and notice of AGM on the website of CDSL : <https://www.evotingindia.com>. Members who have not registered their email address are requested to get their email address registered with their DP in case the shares are held in electronic mode and with Company's Registrar and Share Transfer Agent - MCS Share Transfer Agent Limited, Ahmedabad in case shares are held in Physical Form. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.
12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 15<sup>th</sup> June, 2022 through email on [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com). The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 23<sup>rd</sup> June, 2022 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting. The copy of register of Directors, Key Managerial Personnel and their shareholding maintained under The Companies Act, 2013 will be available for inspection by the members on request by sending an e-mail to the company.
15. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be used by the Company for payment of Dividend. Members who are holding shares in electronic mode are requested to make sure, that they have updated details of Bank Account Number, Name of Bank, Branch address, MICR Code, IFSC Code with their respective depository participant. The Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account. In case the Company is unable to pay the dividend to any Shareholders by the electronic mode, due to non-availability of the complete details of the Bank account, the Company shall dispatch the dividend warrants to such Shareholders by post.
16. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1<sup>st</sup> April, 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate e-mail will be sent at the registered e-mail ID of the members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/ declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company [www.cera-india.com](http://www.cera-india.com).

## 17. Brief resume of directors, who are proposed to be appointed/re-appointed at this meeting are given below:

Name of Director	Smt. Deepshikha Khaitan	Shri Surendra Singh Baid	Shri Vikram Somany	Shri. Ayush Bagla	Shri. Anupam Gupta
DIN	03365068	02736988	00048827	01211591	09290890
Date of Birth	17.03.1975	30.05.1951	26.08.1949	10.09.1973	21.05.1968
Date of Appointment	29.03.2014 (Appointed as Joint Managing Director w.e.f. 01.04.2020)	18.04.2018	27.11.2001 (Reappointment of Shri Vikram Somany as Chairman & Managing Director w.e.f. 01.07.2022)	18.04.2018 (Reappointment of Shri Ayush Bagla as Executive Director w.e.f. 14.05.2022)	15.10.2021 (Appointment of Shri Anupam Gupta as additional Director as well as Executive Director (Technical) w.e.f. 15.10.2021)
Qualification	B.Sc. Hons. (Economics), LLB	B.Sc Tech, Ceramics, B.H.U	B.Sc. F.C.M.I (U.K)	B.A. (Management) from Franklin & Marshal College (USA)	B.E. (Electrical) & MBA
Brief Resume and Nature of expertise in specific functional areas	Involved in Design Innovation, Product, R&D, Channel Outreach and Sales. Driving equal focus on profitability & product development	Product & Business Development, Sales & Marketing Personnel Management	Founded the business in 1980, Deep industry knowledge and experience, Initiation and execution of strategy, Drives High Governance Standards	Managing Investor Relations & Strategic Planning initiatives at Cera	Responsible for overall aspects of manufacturing activities at Cera
List of other Directorships	- Capital Publishing Pvt. Ltd. - Indian Council of Sanitaryware Manufacturers - Star Agrocom Pvt. Ltd.	- Anjani Tiles Ltd.	- Asopalav Plantations Pvt. Ltd. - Birla Brothers Pvt. Ltd.	- Seaside Real Estate Pvt Ltd - Paradigm Finance Ltd	NIL
Chairman / Member of the Committees of the Board of other Companies	NIL	NIL	NIL	NIL	NIL
Terms and conditions of re-appointment	N.A	As per the Explanatory Statement	As per the Explanatory Statement	As per the Explanatory Statement	As per the Explanatory Statement
Disclosure of relationship between Director Inter-se	Smt. Deepshikha Khaitan is a daughter of Shri Vikram Somany.	Not Related to any Director.	Smt. Deepshikha Khaitan, Joint Managing Director is a daughter of Shri Vikram Somany.	Not Related to any Director.	Not Related to any Director.
Shareholding in the Company	3,39,116	NIL	9,45,847	Nil	NIL
No. of Board Meetings attended during FY 2021-22	6	6	6	6	2



**18. INSTRUCTION FOR E-VOTING AND JOINING THE AGM:**

- a) 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 MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022, 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 appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- b) 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 to at least 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 etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.
- e) **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**
  - (i) The voting period will begin on 27<sup>th</sup> June, 2022 and will end on 29<sup>th</sup> June, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> June, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.
  - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	<p>4) <b>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</b></p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you</p>

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**(v) Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in Physical Form and shareholders other than individual shareholders holding shares in Demat form / physical form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant <Cera Sanitaryware Limited> on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation

box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### **(vi) INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

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

#### **(vii) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- 1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share

certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/ RTA email id.

- 2) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**(viii) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- 1) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 2) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 3) 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.
- 4) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email ID i.e. ceragreen@cera-india.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. ceragreen@cera-india.com). These queries will be replied to by the company suitably by email.
- 5) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 6) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
- 7) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL)

Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**(ix) INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- 1) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
  - 3) Only those shareholders, who are present in the AGM through VC/OAVM facility and who 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 available during the AGM.
  - 4) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - 5) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
19. Shri Umesh Parikh, failing him Shri Uday Dave, Partner of Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
  20. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote evoting in the presence of at least two witnesses not in the employment of the company and make, not later than two working days from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, be submitted to the Chairman or a person authorized by him in writing who shall countersign the same.
  21. The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company at 9, GIDC Industrial Estate, Kadi - 382715. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cera-india.com and on the website of CDSL immediately and communicated to the NSE and BSE.



**Statement pursuant to provisions of Section 102 the Companies Act, 2013.****Item No. 4**

N.M. Nagri & Co., Chartered Accountants were appointed as Statutory Auditors of the Company at 19<sup>th</sup> Annual General Meeting ('AGM') held on 27<sup>th</sup> July, 2017 to hold the office of the Auditors up to the conclusion of the 24<sup>th</sup> Annual General Meeting (AGM of Financial year 2021-22).

The existing Auditor's firm has completed term of five consecutive years pursuant to Section 139(2) of the Companies Act, 2013. The Audit Committee and the Board of Directors at their respective meetings held on 10<sup>th</sup> May, 2022 recommended appointment of Singhi & Co, Chartered Accountants (Firm Registration No.302049E) as the Statutory Auditors of the Company for a term of five years from the conclusion of 24<sup>th</sup> AGM till the conclusion of the 29<sup>th</sup> AGM (AGM of Financial year 2026-27), in place of retiring Auditors.

Singhi & Co. has been in the profession for over 80 years. They provide varied services which include assurance, risk, advisory, taxation, corporate finance etc. They serve multiple listed companies and have tremendous experience in the field of audit. Singhi & Co. has over 26 partners with 8 offices across the country.

Singhi & Co. one of the leading Audit Firms in the India, being Indian members of Moore Global network and considering increase in regulatory compliances & disclosures by the Auditors, the remuneration payable to the statutory auditors for the financial year 2022-23 has been fixed as ₹ 26.50 lakhs plus applicable taxes and out of pocket expenses. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Singhi & Co, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the ordinary resolution as per item No. 4 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution as per item No. 4 of the notice.

**Item No. 5**

The Board of Directors on the recommendation of the Audit Committee has appointed Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023 and approved the payment of remuneration payable to them.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2023.

The Board of Directors recommends the Ordinary Resolution as per item no. 5 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, concerned or interested financially or otherwise in the said resolution as per item no. 5 of the Notice.

**Item No. 6**

The Members of the Company, at the 20<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August, 2018 had approved the appointment of Shri Surendra Singh Baid as an Independent Director of the Company, whose terms will expire on 31<sup>st</sup> March, 2023. He is B.Sc. Tech, Ceramics, (BHU) and having experience of more than 48 years in Insulator Industry, Product and Business development, sales & marketing, personnel management, etc. He is not holding any shares in the Company.

As per Section 149(10) of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment as an Independent Director on passing a special resolution by the Company for a second term of upto five consecutive years on the Board of a Company.

In view of the aforesaid provisions of the Act and considering his rich experience, valuable guidance to the management and better Board performance as an Independent Director, it is proposed to re-appoint him for the second term as an Independent Director on the Board of Company for a period of five consecutive years upto 31<sup>st</sup> March, 2028. Under the relevant provisions of the Companies Act, 2013, Notice has been received from one of the member, signifying his intention proposing, Shri Surendra Singh Baid for the appointment as an Independent Director of the Company. His appointment as Independent Director is also approved and recommended by the Nomination and Remuneration Committee of the Company, based on his performance evaluation.

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that no listed company shall appoint or continue the directorship of any person as Non-executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is disclosed in the explanatory statement annexed to the Notice for such appointment.

Accordingly, Shri Surendra Singh Baid will attain the age of 75 years on 30<sup>th</sup> May, 2026 and his appointment as Non – Executive Independent Director shall be valid upto 31<sup>st</sup> March, 2028, subject to the approval of shareholders in the ensuing Annual General Meeting.

In order to comply with the provisions, the Nomination and Remuneration committee and Board recommends the continuation of directorship of Shri Surendra Singh Baid, Non-Executive Independent Director, even after he attains the age of 75 years, till the expiry of his term of re-appointment.

In the opinion of the Board, Surendra Singh Baid fulfils the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director of the Company. He is also independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and hence it is desirable to continue to avail his services as an Independent Director.

Accordingly, the Board recommends the Resolutions at Item No. 6 of the accompanying notice for re-appointment of Shri Surendra Singh Baid as an Independent Director by passing the special resolution by the members of the Company.

The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

Except Shri Surendra Singh Baid, being appointee, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 6 of the notice.



**Item No. 7 & 8**

The Board of Directors at their meeting held on 31<sup>st</sup> August, 2021 has appointed Shri Anupam Gupta as an additional director w.e.f. 15<sup>th</sup> October, 2021 under the provisions of section 161 of the Companies Act, 2013. As per the provisions of the said section, he will hold office up to the date of this Annual General Meeting. However, being eligible for appointment he offers himself for the same. The Company has also received a notice from a member proposing the name of Shri Anupam Gupta for the appointment as a Director of the Company.

Upon recommendation of Nomination and Remuneration Committee of the Company the Board of Directors at their meeting held on 31<sup>st</sup> August, 2021, appointed Shri Anupam Gupta as an Executive Director (Technical) of the Company for a period of 3 years w.e.f. 15<sup>th</sup> October, 2021, subject to the approval of members of the Company at the general meeting.

Shri Anupam Gupta is B.E. (Electrical) & MBA. He has wealth of experience and direct manufacturing expertise along with overall general management and industry experience of more than 30 years. He was previously working as the Unit head of the Insulator Division of Aditya Birla Insulators, Halol (a unit of Grasim Industries Ltd). He has worked with various companies in Industries as varied as Cement, Textiles, Chemicals and finally Ceramics spending a total of last 17 years in Aditya Birla Group. He has wide experience in the initiation and development of large scale greenfield manufacturing facilities. In his career Shri Anupam Gupta has executed brown field expansion projects and dealt with complicate ceramic and insulator technology absorption projects, setting up and running of plants. During his various stints he has extensively dealt with labour unions, industrial relations, safety and sustainability. Throughout his career he has been optimising plant performance to improve profitability. Shri Anupam Gupta is responsible for overall aspects of manufacturing activities at Cera.

Shri Anupam Gupta, designated as an Executive Director (Technical), shall discharge duties and functions subject to the superintendence, direction and control of the Board of Directors and/or Chairman and Managing Director and/or Joint Managing Director of the Company.

Shri Anupam Gupta designated as an Executive Director (Technical) shall be designated as 'Occupier' under the factories act and shall be liable for all roles and responsibilities for the position under the said Act.

Shri Anupam Gupta shall be nominated and in-charge of and be responsible for the conduct of business of the Company or any establishment / branch / unit thereof under The Legal Metrology Act, 2009.

He shall be liable to retire by rotation.

He shall not exercise the powers as an Executive Director (Technical) which are required to be exercised by the company in general meeting and / or by Board of Directors.

The principle terms and conditions of appointment of Shri Anupam Gupta, Executive Director (Technical) are as follows:

1. **Period of Appointment:** 3 (Three) years w.e.f. 15<sup>th</sup> October, 2021.
2. **Remuneration:**
  - a) **Basic Salary:** In the range of ₹ 9,50,000/- per month, w.e.f. 15<sup>th</sup> October, 2021 with annual increase upto a maximum of 15% per annum after approval from the Board.
  - b) **Perquisites:**

**Category – A**

- a) Accommodation: Free furnished housing accommodation and/or house rent allowance subject to 50% of Basic Salary.

- b) Leave Travel Concession: For self and family once in year to and from any place in India in accordance with Rules of the Company.
- c) Other Allowances: ₹ 1,08,733 per month with increase upto maximum of 25% on an annual basis after approval from the board
- d) Bonus: As per rules of the Company as applicable to other executives/employees of the Company.
- e) Performance Incentive: ₹ 58 lakhs per annum maximum on criteria which shall be decided by the Board of Directors and / or the Chairman and Managing director on a periodical basis. This amount may be increased upto maximum of 25% p.a after approval of the Board.

**Category – B**

- a) Contribution to Provident Fund or Annuity Fund: As per the rules of the Company as applicable to other executives / employees of the Company.

**Category – C**

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the company to the appointee.
- b) Use of Company owned car with driver, fuel and maintenance expenses upto a maximum of ₹ 10 lakhs per annum.

**Others:**

- a) Executive Director (Technical) is also entitled to the benefits as per the rules of the Company, which the other senior executives / employees of the Company are entitled to.
- b) He will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.

The Board or Committee thereof, in its absolute discretion will fix within the range stated above the remuneration payable to the Executive Director (Technical) depending on his performance.

However, total remuneration payable to Shri Anupam Gupta shall not exceed 5% of the net profit of the Company and total remuneration payable to all working directors shall not exceed 10% of the net profit of the company in any financial year, calculated in accordance with the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder or any amendment, modification or replacement thereto from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013, rules made thereunder or any amendment(s), modification(s) or replacement(s) or re-enactment(s) thereof from time to time, if any, to the extent with necessary approvals.

3. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Executive Director (Technical) in accordance with section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder or any amendment(s), modification(s) or replacement(s) or re-enactment(s) thereof from time to time.
4. If at any time Shri Anupam Gupta ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Executive Director (Technical).

5. Shri Anupam Gupta, Executive Director (Technical) may resign from the service of the Company by giving three months' notice in advance. Similarly, the Company has the right to terminate his service as Executive Director (Technical) at any time by giving three months' notice in writing or salary in lieu thereof.

Appointment of Shri Anupam Gupta as Executive Director (Technical) and remuneration payable to him has been considered by the Nomination and Remuneration Committee by a resolution at the meeting held on 31<sup>st</sup> August, 2021.

Pursuant to requirement of Section 203 of the Companies Act, 2013 and applicable rules in force, Shri Anupam Gupta shall be treated and designated as Key Managerial personnel of the Company w.e.f. 15<sup>th</sup> October, 2021. Shri Anupam Gupta will also be appointed as designated officer under any other Act, Regulations as may be require under the instruction of Chairman and Managing Director on time to time basis.

Pursuant to the provision of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 the approval of members by way of special resolution shall be required for appointment and payment of remuneration to Whole Time Director of the Company. Hence necessary resolution has been proposed for the approval of members.

A copy of agreement with Shri Anupam Gupta is open for inspection at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on any working day except, Saturday upto the date of this Annual General Meeting.

The Board of Directors recommends the Ordinary resolution for item no. 7 and Special resolution as per item No. 8 of the accompanying notice for approval of the members of the Company.

Except, Shri Anupam Gupta, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item no. 7 & 8 of notice. The disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as notes to this notice.

This explanatory statement also be regarded as a disclosure under any other Acts, Rules and Regulations.

#### Item No. 9

Shri Ayush Bagla has been appointed as an Executive Director of the Company for a period of three (3) years w.e.f. 14<sup>th</sup> May, 2019, by the Board of Directors at their meeting held on 14<sup>th</sup> May, 2019 and his appointment has been approved by members at the Annual General Meeting held on 31<sup>st</sup> July, 2019. His term is valid upto 13<sup>th</sup> May, 2022.

Upon recommendation of Nomination and Remuneration Committee, Shri Ayush Bagla has been re-appointed as Executive Director of the Company for a period of Three (3) years with effect from 14<sup>th</sup> May, 2022 by the Board of Directors at their meeting held on 10<sup>th</sup> May, 2022, subject to the approval of members of the Company at the ensuing Annual General Meeting.

Shri Ayush Bagla is B.A (Business) from Franklin & Marshall College, USA and has more than 24 years experience in the fund management and Private Equity. He is managing Investor Relations, Capital Allocation & Strategic Planning initiatives at Cera.

He will also discharge other duties and responsibilities as may be allocated to him by the Board of Directors and / or Chairman and Managing Director.

Shri Ayush Bagla, designated as Executive Director, shall discharge his duties and functions subject to the superintendence, direction and control of the Board of Directors and / or Chairman and Managing Director of the Company.

He shall be liable to retire by rotation.

Shri Ayush Bagla shall not exercise the powers as an Executive Director, which are required to be exercised by the company in general meeting and / or by Board of Directors.

The principle terms and conditions of appointment of Shri Ayush Bagla, Executive Director are as follows:

1. **Period of Appointment:** Three (3) years w.e.f. 14<sup>th</sup> May, 2022

2. **Remuneration**

- a) **Basic Salary:** In the range of ₹ 6,30,000/- to ₹ 13,00,000/- per month, w.e.f. 14<sup>th</sup> May, 2022.

- b) **Perquisites:**

#### Category – A

- a) **Accommodation:** Free furnished housing accommodation and/or house rent allowance as per the rules of the Company.
- b) **Medical benefit:** Medical benefit / Medical Allowance including medical reimbursement and Mediclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years or as per the rules of the Company.
- c) **Leave Travel Concession:** For self and family once in a year to and fro any place in India in accordance with the Rules of the company.
- d) **Club Fees:** Annual fee of one club subject to a maximum of ₹ 50,000. This, however, will not include admission and life membership fee.
- e) **Insurance:** Personal Accident Insurance of an amount annual premium of which does not exceed ₹ 10,000/-.
- f) **Bonus:** As per rules of the Company as applicable to other executives/employees of the Company.
- g) **Special Allowance:** As may be decided by Board of Directors and / or the Chairman and Managing Director.
- h) **Performance Incentive:** As may be decided by Board of Directors and / or the Chairman and Managing Director.

#### Category – B

- a) **Contribution to Provident Fund or Annuity Fund:** As per the rules of the Company as applicable to other executives / employees of the Company.
- b) **Gratuity:** Gratuity payable in accordance with the company's scheme thereof as applicable to other executives / employees of the company.

#### Category – C

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the company to the appointee.
- b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the company to the appointee.

#### Others:

- a) Executive Director is also entitled to the benefits as per the rules of the Company, which the other senior executives / employees of the Company are entitled to.
- b) He will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.

The Board or Committee thereof, in its absolute discretion will fix within the range stated above the remuneration payable to the Executive Director depending on his performance.

However, total remuneration payable to Shri Ayush Bagla shall not exceed 5% of the net profit of the Company and total remuneration payable to all working directors shall not exceed 10% of the net profit of the company in any financial year, calculated in accordance with the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder or any amendment(s), modification(s) or replacement(s) or re-enactment(s) thereof from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013, rules made thereunder or any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof from time to time, if any to the extent with necessary approvals.

3. The terms and conditions of the said appointment may be altered or varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Executive Director in accordance with Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendments made thereafter in this regard from time to time.
4. If at any time Shri Ayush Bagla ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Executive Director.
5. If at any time Shri Ayush Bagla ceases to be an Executive Director for any cause whatsoever, he will cease to be a Director of the Company, unless the Board of Directors decide otherwise.
6. Shri Ayush Bagla, Executive Director, may resign from the service of the Company by giving three months' notice in advance. Similarly, the Company has the right to terminate his service as Executive Director at any time by giving three months' notice in writing or salary in lieu thereof.

A copy of agreement with Shri Ayush Bagla is open for inspection at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on any working day except, Saturday upto the date of this Annual General Meeting.

Appointment of Shri Ayush Bagla as Executive Director and remuneration payable to him is approved by the Nomination and Remuneration Committee by a resolution at the meeting held on 9<sup>th</sup> May, 2022.

The Board of Directors recommends the Special resolution as per item No. 9 of the accompanying notice for approval of the members of the Company.

Except, Shri Ayush Bagla, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item no. 9 of notice. The disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as notes to this notice.

This explanatory statement shall also be regarded as a disclosure under any other Acts, Rules and Regulations.

#### Item No. 10

Shri Vikram Somany was appointed as Chairman and Managing Director of the Company for a period of Five years with effect from 1<sup>st</sup> July, 2017. His term is valid up to 30<sup>th</sup> June, 2022.

Upon recommendation of Nomination and Remuneration Committee, Shri Vikram Somany has been re-appointed as Managing Director and designated as Chairman and Managing Director of the Company for a period of Five (5) years with effect from 1<sup>st</sup> July, 2022 by the Board of Directors at their meeting held on 10<sup>th</sup> May, 2022, subject

to the approval of members of the Company at the ensuing Annual General Meeting.

Pursuant to the provision of Section 196, 197 and Schedule V of the Companies Act, 2013 and Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members by way of Special resolution is sought for appointment and payment of remuneration to Shri Vikram Somany, Chairman and Managing Director (being Executive Director who belongs to Promoter / Promoters Group), as his remuneration exceeds / might exceeds the limit specified under aforesaid SEBI Regulation.

Shri Vikram Somany is 73 years old. He is Chairman and Managing Director and Promoter of the Company since 2002. Under his leadership the Company has achieved the status of being one of the leading brands in Sanitaryware industry. Due to his vision, guidance, leadership and hard working, the Company has been marching ahead continuously. Considering his rich experience, knowledge and contribution to the growth of the Company and upon recommendation of the Nomination and Remuneration Committee, the Board of Directors have therefore re-appointed Shri Vikram Somany as Chairman and Managing Director of the Company for further period for five years and recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the members of the Company.

Shri Vikram Somany as Chairman and Managing Director shall discharge duties and functions subject to the superintendence, direction and control of the Board of Directors of the Company.

Shri Vikram Somany, Chairman and Managing Director will not be liable to retire by rotation.

Shri Vikram Somany shall not exercise the powers as Chairman and Managing Director, which are required to be exercised by the Company in general meeting and / or by Board of Directors. The principle terms and conditions of appointment of Shri Vikram Somany as Chairman and Managing Director are as follows:

1. **Period of Appointment:** Five (5) years w.e.f. 1<sup>st</sup> July, 2022.

#### 2. Remuneration

I) **Basic Salary :** In the range of ₹ 23,00,000/- to ₹ 43,00,000/- per month w.e.f. 1<sup>st</sup> July, 2022. The next increment of salary will due w.e.f. 1<sup>st</sup> April, 2023.

#### II) Perquisites:

##### Category - A

- a) **Accommodation:** Free furnished housing accommodation and/ or house rent allowance as may be mutually agreed by both the parties.
- b) **Facilities of gas, electricity, water and furnishings:** The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income-tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of the appointee.
- c) **Medical benefit :** Medical benefit / Medical Allowance including medical reimbursement and Mediclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years.
- d) **Leave Travel Concession :** For self and family once in a year to and fro any place in India in accordance with the Rules of the company.
- e) **Club Fees :** Annual fees of club subject to a maximum of two clubs for an amount not exceeding ₹ 75,000 per annum. This will not include admission and life membership fee.
- f) **Insurance :** Personal Accident Insurance of an amount annual premium of which does not exceed ₹ 10,000/-



- g) **Bonus** : As per rules of the Company as applicable to other executives/ employees of the Company.
- h) **Special Allowance**: As may be decided by the Board of Directors and/or committee thereof.
- i) **Performance Incentive**: As may be decided by the Board of Directors and/or committee thereof.

#### Category - B

Contribution to Provident Fund: As per the rules of the Company as applicable to other executive / employees of the Company.

#### Category - C

- a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the company to the appointee.
- b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the company to the appointee.

#### Others

- a) The Chairman and Managing Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.
- b) He will not be entitled to Sitting Fee for attending the meetings of the Board of Directors or Committee(s) thereof.  
The Board or Committee thereof, in its absolute discretion will fix within the range stated above the remuneration payable to the Chairman and Managing Director depending on the performance of the Chairman and Managing Director, size of operations, profitability and other relevant factors.

However, total remuneration payable to Shri Vikram Somany shall not exceed 5% of the net profit of the Company and total remuneration payable to all the working directors shall not exceed 10% of the net profit of the company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 rules made thereunder or any amendment(s) modification(s) or replacement thereto from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 rules made thereunder or any amendment(s), modification(s) or replacement thereof from time to time, if and, to the extent with necessary approvals.

- 3. The terms and conditions of the said appointment and / or agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Chairman and Managing Director in accordance with Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendments made thereafter in this regard from time to time.
- 4. If at any time Shri Vikram Somany ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Chairman and Managing Director.
- 5. Shri Vikram Somany, Chairman and Managing Director may resign from the service of the Company by giving three months' notice in advance.

A copy of agreement with Shri Vikram Somany is open for inspection at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on any working day except, Saturday upto the date of this Annual General Meeting.

Appointment of and remuneration payable to Shri Vikram Somany is approved by the Nomination and remuneration committee by resolution at the meeting held on 9<sup>th</sup> May, 2022.

The Board of Directors recommends the Special resolution as per item No. 10 of the accompanying notice for approval of the members of the Company.

Except, Shri Vikram Somany himself and Smt. Deepshikha Khaitan being relative, none of other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item No.10 of notice. Shri Vikram Somany is the father of Smt. Deepshikha Khaitan, Director. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided at Notes to this Notice.

This explanatory statement also be regarded as a disclosure under any other Acts, Rules and Regulations.

#### Item No. 11

Section 197(1) of the Companies Act, 2013, and/or Articles of Association of the Company, provides that in the case of the directors who are not in the whole-time employment of the Company, the shareholders, may by Special Resolution, authorize the payment of commission.

The role of Non Executive Directors is significant in achieving better performance and establishment of good governance. The responsibility of the Non Executive Directors has increased considerably over the years. In view of the dynamic changes in Company law and the corporate governance norms, there is a greater demand of Non Executive Directors for better and effective corporate governance. Keeping in view the requirement in terms of time and quality on the part of the Non Executive Directors, it is necessary to remunerate them appropriately.

Considering the same, the members of the Company at their Annual General Meeting held on 27<sup>th</sup> July, 2017, have approved the payment of commission up to 1% of net profits of the Company calculated in accordance with the provisions of section 198 and other applicable provisions, if any of the Companies Act, 2013, to the directors not in whole time employment of the Company, for a period of 5 years from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023. As such the same may be renewed for further period of 5 years w.e.f 1<sup>st</sup> April, 2023.

Accordingly, the directors other than the Executive Directors be paid commission not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 198 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder for a period of 5 years from 1<sup>st</sup> April, 2023. This amount will be distributed among all or some of the non-working Directors in such manner, as the Board of Directors may from time to time determine and in default equally, in each financial year.

The Board of Directors recommends the Special resolution as per item No. 11 of the accompanying notice for approval of the members of the Company.

All the Directors of the Company except Chairman & Managing Director, Joint Managing Director and Executive Directors are concerned or interested in this resolution to the extent of commission which they may receive during the course of each of the financial years for which this approval is sought. The Chairman & Managing Director, Joint Managing Director and Executive Directors and Key Managerial Personnels of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution at Item No. 11 of the Notice.

Regd. Office :

9, GIDC Industrial Estate,  
Kadi – 382 715

Dist. Mehsana, Gujarat.

10<sup>th</sup> May, 2022

CIN : L26910GJ1998PLC034400

By Order of the Board of Directors  
**For Cera Sanitaryware Limited**

**Hemal Sadiwala**

Company Secretary

(ACS:20741)

## Directors' Report

To  
The Members,

The Directors have pleasure in submitting the 24<sup>th</sup> Annual Report together with the Audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2022.

**Performance**

The summary of your Company's financial performance on standalone basis is given below:

	(₹ in Lakhs)	
<b>Standalone</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Revenue from Operations	<b>1,44,175.57</b>	1,20,170.67
<b>Profit (EBIDTA) before Interest, Depreciation, Taxes &amp; Exceptional Item</b>	<b>24,402.76</b>	17,174.29
Interest	<b>458.71</b>	426.77
Depreciation	<b>3,043.00</b>	3,323.04
<b>Profit before taxes and Exceptional Item</b>	<b>20,901.05</b>	13,424.48
Exceptional Item	<b>(573.80)</b>	-
<b>Profit before tax</b>	<b>20,327.25</b>	13,424.48
<u>Tax Expense:</u>		
- Current Year	<b>5,197.72</b>	3,279.05
- Deferred Tax	<b>193.55</b>	15.10
<b>Profit for the year</b>	<b>14,935.98</b>	10,130.33

The summary of your Company's financial performance on consolidated basis is given below:

	(₹ in Lakhs)	
<b>Consolidated</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>
Revenue from Operations	<b>1,44,583.00</b>	1,22,432.68
<b>Profit (EBIDTA) before Interest, Depreciation, Taxes &amp; Exceptional Item</b>	<b>25,238.00</b>	18,321.92
Interest	<b>528.15</b>	972.86
Depreciation	<b>3,240.74</b>	3,957.09
<b>Profit before taxes and Exceptional Item</b>	<b>21,469.11</b>	13,391.97
Exceptional Item	<b>(573.80)</b>	-
<b>Profit before tax</b>	<b>20,895.31</b>	13,391.97
<u>Tax Expense:</u>		
- Current Year	<b>5,391.30</b>	3,366.04
- Deferred Tax	<b>209.53</b>	35.26
<b>Profit for the year</b>	<b>15,294.48</b>	9,990.67
Add: Share of Profit / (Loss) from Associate	<b>0.76</b>	4.76
<b>Profit for the Year</b>	<b>15,295.24</b>	9,995.43

**Transfer to Reserves**

The Company has transferred a sum of ₹ 3,439.58 Lakhs to General Reserve in the current year (previous year ₹ 5,460.46 Lakhs).

**Highlights / Performance of the Company**

Turnover (Net of GST) of the Company for the year increased by 19.92% to ₹ 1,43,826.26 Lakhs as compared to ₹ 1,19,934.60 Lakhs previous year.

Profit before Depreciation and Taxes & Exceptional Items for the year increased by 42.97% to ₹ 23,944.05 Lakhs as compared to ₹ 16,747.52 Lakhs previous year.

Profit after Tax for the year increased by 47.44% to ₹ 14,935.98 Lakhs as compared to ₹ 10,130.33 Lakhs previous year.

**Exceptional Item :**

Pursuant to the Memorandum of Understanding (MOU) executed on 17<sup>th</sup> August, 2021, Share Purchase Agreement executed on 26<sup>th</sup> August, 2021 and Share Escrow Agreement executed with Federal Bank Ltd. on 23<sup>rd</sup> November, 2021, by and amongst Cera Sanitaryware Limited (CERA), Anjali Vishnu Holdings Ltd (AVHL) (Joint venture partner and acquirer company) and Anjani Tiles Limited (ATL) (Subsidiary company) for the transfer / divestment of entire stake in Equity and Preference Shares of Anjani Tiles Limited for the total consideration of ₹ 2,869.20 lakhs, the Company's shareholdings as at 31<sup>st</sup> March, 2022 in Equity and Preference shares in ATL have been presented as Non-current Assets classified as held for sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard –105– "Non-current Assets Held for Sale and Discontinued Operations". Accordingly, Equity shares are measured at the lower of their carrying amount and fair value less costs to sell and Preference shares are measured at fair value which is equivalent to carrying amount as at 31<sup>st</sup> March, 2022. Due to above arrangements, impairment loss of ₹ 573.80 lakhs has been recognised in the Statement as Exceptional Item.

**Dividend****Final Dividend :**

Your Directors recommended a dividend of ₹ 20/- per share (400%) [Previous year Dividend of ₹ 13/- per share (260%)] on 1,30,05,874 equity shares of ₹ 5/- each fully paid for the year ended 31.03.2022, to be paid subject to the approval of the members at the ensuing Annual General Meeting.

**Special Dividend :**

Your Directors recommended a special dividend of ₹ 15/- per share (300%) (Previous year Dividend - Nil) on 1,30,05,874 equity shares of ₹ 5/- each fully paid for the year ended 31.03.2022 considering Company's highest growth in terms of turnover and net profit since last 20 years of its operation, to be paid subject to the approval of the members at the ensuing Annual General Meeting.

During the year, the unclaimed dividend pertaining to the financial year ending 2013-14 were transferred to the Investor Education and Protection Fund.

**Covid-19**

The management has considered the impact of Covid-19 on its profitability, liquidity, supply chain, receivables, inventories, other financial assets and investments.

Even after the second wave and the third wave of Covid-19, your Company has witnessed a surge in consumer demand, both on the new build and the existing home improvement category.



The management will continue to closely monitor any material changes to future economic conditions.

### Sanitaryware Unit

Post Covid-19, your company started ramping up production volumes to its optimum capacity to monetise the sustainable demand generated by the end user for home upgradation, in every geographic location across the country.

Workmen engagement activities like sports day, counselling, reward & recognition schemes have been started which has resulted into positiveness and trust at the shop floor.

Various new initiatives on safety, quality, cost and delivery and compliances on SOP have been implemented resulting into improvement in manufacturing yields and production volume.

In order to have repeatability and reproducibility of new SKU and designed product, Standardization of process and its control have been institutionalized.

Good manufacturing practices like waste reduction, KAIZEN, cost saving, and sustainability projects have been implemented to improve the utilization of deployed resources.

Your company continued to develop new/latest designs of one-piece WCs and high-end wall hung WCs to reduce dependency on imports.

Several Covid-appropriate products like rimless WCs, sensor urinals, etc. were rolled out by Sanitaryware unit.

In order to increase the touch points and to enhance the customer experience, your Company has invested in increasing the Cera Style Centres, owned and managed by retailers, in many towns.

Your Company has been in the forefront of technology and automation. After successful implementation of 3D printing and robotic glazing technologies, your Company has now added high pressure casting system. These will give your Company a technological edge.

Your company will continue optimum utilization resources and deliver high level of quality product as per customer expectations.

### Faucet ware Unit

Your Company has witnessed growth in terms of production and sales volume, which lead the company to reach to the higher level of achievements. Company could achieve the same through various debottlenecking projects, adding balancing equipment, SOP compliances and automation of the processes.

Your Company expects even higher growth in the coming times in its Faucets business. With this in view, company is launching new colour faucet designs in line with the changing customer preferences and market need. A total of 47 new products were launched during the year.

Company will also emphasis the development and sale of WATER saving products which are very crucial for the sustenance of environment and preservation of ecosystem. 47.44% of products in the portfolio are water saving products.

Several Covid-appropriate products like sensor faucets, foot-operated taps, etc. were conceived, developed, and produced by Faucetware division.

### Bathware Unit

Your Company continued launches of new products and designs with 25 new products launched during the year. New Covid-appropriate products like anti-bacterial seat covers were developed and launched.

### Senator by CERA

Distribution of your Company's premium offering, Senator, aimed at discerning customers has been widened, to reach more customers.

### JEET

New products have been added in JEET, your Company's sanitaryware range aimed at affordable segment.

### Unboxing Smiles

Since its inception, your company CERA is known for its unique sensibility, cutting-edge designs and modern technology when it comes to its products, which forever appeals to the customers evolving needs. Continuing this philosophy of utmost care and precision, CERA ushered its newest product range by launching it under the theme – Unboxing Smiles – on 15<sup>th</sup> December 2021 in Delhi. This versatile range of products unboxes Modern Living, Style, Functionality as well as Customers' Expectations.

From superior design and aesthetics to awe-inspiring styles, futuristic products to the most competitive prices, Unboxing Smiles has everything covered.

The products are smartly segregated into different categories viz. **Unboxing Style** – which will redefine bathing experience, **Unboxing Functionality** – which lets you experience never seen before purposefulness, **Unboxing Modern Living** – which offers classy & elegant designs along with premium pricing and maintenance and **Unboxing Customers' Expectations** – which showcases irresistible & innovative designs to make the best use of space.

### Highest Share of voice in Media

Your company CERA used high impact media strategy to increase the brand reach and consumer exposure. A combination of GEC (General Entertainment Channels) – Impact properties and news program used to expose "Kuch Pal GharKe Naam" on television to consumers. Campaign started in May 2021 where we had advertised our three ads Television Commercial Advertisement in high frequency on 31 Hindi / English news channels. For HSM (Hindi Speaking Market) market, in the month of August 2021 your company took "Kaun Banega Crorepati" the biggest show of Indian Television as associate sponsor, in addition CERA also sponsor popular dance show "India's best dancer". For Non HSM market, Big Boss Season-5 Telugu version was sponsored for Telangana and Andhra Pradesh market, Co-powered sponsorship in OruChiriluChiri Bumper Chiri and Star Singer for Kerala market and in last quarter your company advertised heavily in News channels – Hindi, English and Regional languages and covered elections in UP, Punjab, Goa, Manipur & Uttarakhand.

CERA was the most visible brand last year in television and have highest share of voice. 7 out of 10 ads seen (in Sanitaryware category) were of CERA.

### Brand CERA in Digital Media

We understand today consumer spends lot of time on social media. Digital campaigns which include series of Product films covering Sanitaryware /Faucetware /Tiles categories - "**Tested by expert**" and "**No Compromise**" conceptualised and launched which helped brand to gain lot of popularity and increased consumer engagement. Other initiatives also taken to increase brand recall and search i.e. Google display ads, remarketing and sustenance campaigns, Search engine optimization, Search engine maximization and others.

### Trade expansion and development with brand stores

A complete retail expansion program was launched with a view to increase exclusive / non-exclusive brand stores and deliver ultimate consumer experience.

CERA focused to support channel partners by helping them to build brand stores – Cera Style Galleries, Cera Style Hub, Cera Style Centre, Cera Tile Galleries and Cera Tile Centres. This created a strong brand visibility in the market and also give our consumers an experience to remember and facilitate better decision making. CERA also revamped company owned display centre “Cera Style Studio” in Kolkata to support trade.

### Product Category Consolidation

CERA also consolidated product categories so that we can deliver better service & meet market expectations. Going forward our efforts will be to build our core businesses - Sanitaryware, Faucet and Tiles.

### Retailer Loyalty Programme

CERA Superstar retailer / sub dealer loyalty program was launched towards the purchases made by associate partners (Retailers) from CERA's authorised dealers. The purpose of this program is to strengthen the relationship with the Retailers and provide transparent communication.

### Skill development and Training

CERA rigorously conduct training sessions to upskill the knowledge of plumbers and masons. This enables them to get better wages, resolve customer query satisfactorily and install products hassle-free.

### Awards

CERA won the most affiliated awards consecutively for the third time in a row such as “Trusted brand” and “Super brand”.

### Tiles Unit

Your company made rapid strides in the Tiles segment by launching new designs Slabs, large format sizes of 1200x2400mm, 1200x1200mm and 800x1600mm and also new designs and sizes in both floor and wall categories.

### Joint Ventures

In 2015 the company had entered into a Joint Venture with Anjani Tiles Ltd at Andhra Pradesh with 51% Equity and Milo Tiles LLP (earlier Crown Ceramics—an established production facility) at Morbi, Gujarat with 26% Equity (since 2019) for producing high end Glazed Vitrified Floor Tiles aggregating to 16000 Sq. Mtr. per day. With your company deciding to monetise its equity in ATL, the JV arrangement with ATL at Andhra Pradesh has come to end by entering into MOU and SPA (Share Purchase Agreement) in August 2021. The proceed of Preference and Equity Shares are being received in phased manner.

### Packaging Unit

CERA holds an Equity of 51% in Joint Venture unit for manufacture of corrugated boxes which has now achieved full utilisation of production. The products are now available on a just in time basis, built to the exact specifications for the Company. The capacity utilization has increased considerably during the year.

### Polymer Unit

The Joint venture for Polymer Products unit for manufacturing of seat covers and cisterns has reached optimum capacity of its production during the year. Cera holds 51% Equity. The quality products are available and capacity utilization has increased gradually during the year.

### Green Energy Unit

As a part of national policy and Green initiative, which was initiated in 1995, Company has energy security and stabilized power cost

by generation of electricity through non-conventional sources for captive use through wind and solar.

The current installed capacity of Non-Conventional Energy unit of the Company stands to 10.325 M.W.

The non-conventional Wind and Solar Power has produced 156.88 lakhs KWH for captive use.

### Conservation of energy, technology absorption and foreign exchange earnings and outgo:

#### Conservation of energy

The Company has two sources of its main energy, viz. Natural Gas - GAIL and Sabarmati Gas Ltd., for operating its Sanitaryware plant. The pricing of both sources differ, as GAIL sources gas from isolated wells in and around Cera's manufacturing facility, and is able to contract gas at a lower price over prevailing market pricing. Medium term contracts with these suppliers are renewed on aperiodic basis. For energy conservation, the company has installed fuel efficient burners to control gas consumption and in addition to this, every effort is made by the company to adapt any technological developments in energy conservation.

The second energy, viz. electricity, required for running the machineries, is supplied by the local Discom. To compensate the energy consumption by way of electricity, your Company has an installed capacity of Wind Turbines of 8.325 MW and Solar Plants of 2.00 MW which generates about 70% of the company's electricity requirement and this gets offset against monthly consumption of the energy bill.

#### Technology absorption and foreign exchange earnings and outgo

The information on 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 a separate **Annexure- III**.

#### Environmental Social Governance (ESG)

Cera Sanitaryware follows a holistic approach towards Environmental, Social and Governance matters. Cera Sanitaryware values the trust reposed by its stakeholders including customers, the communities in which it operates and society at large and has strived hard to protect and preserve their interests.

#### Environment at Cera Sanitaryware

Cera is highly committed to ensuring zero environmental impact due to its operations. The Company stringently adheres to norms governing reduction of emissions, pollution control and other environmental aspects. Some of the broad initiatives undertaken by the Company include:

- Installation of a rooftop solar power system (one of the largest in the Kadi region), which has gone a long way in substantially reducing the carbon footprint.
- Cera has managed to stabilize power cost by generating electricity through non-conventional sources (wind and solar) for captive use; as of FY22, its total installed non-conventional energy capacity stood at 10.325 MW, which produced 15.69mn unit. 70% of its energy needs are met through renewable energy.
- In its initiative to conserve biodiversity, the Company has undertaken plantation of over 10,000 plus trees.
- By successfully developing a fully functional rainwater-harvesting system, Cera has managed to reduce dependence on ground water usage. Further, by recycling water used for

the manufacturing process the Company has reduced the water intensity of its operations.

Under the initiative of 'Waste Minimization and Waste Utilization', the Company has been undertaking numerous measures. Some of these measures include recycling of solid and liquid and ZLD (zero liquid discharge), high energy efficient rated machines, compliance to pollution norms and awareness generation among employees etc. Majority of the waste generated in the company's operations is recycled and the balance is disposed-off safely. The Company has also installed a Effluent Treatment Plant at both of its facilities.

#### Social dimension at Cera Sanitaryware

For the past several years, Cera has been actively involved in various social welfare activities. Over a span of 5 years, Cera has spent more than ₹ 15 crore for development within Kadi district (a tier 3 developing industrial area) and surrounding areas. Additionally, the Company at regular intervals provides necessary safety and skill up-gradation training to its permanent as well as its contractual employees. The Company has systems in place to ensure no child labour, forced or involuntary labour at its facilities. During the financial year 2021-2022, the Company has spent ₹ 29.10mn towards CSR activities mainly in the areas of education, healthcare, rural development, woman empowerment and eradicating hunger.

#### Governance at Cera Sanitaryware

Adhering to the best Corporate Governance practices has been a strong endeavor of the Company since its inception. The organization strongly believes that there is a direct association between good corporate governance practices and stakeholder value enhancement. To ensure protection of interests of all stakeholders of the Company, Cera has adopted various strict governance related policies to the best governance practices. Its policy relating to ethics, bribery and corruption serves as the guiding philosophy for its employees as well as the employees of its subsidiary and JV companies. The Company also has a whistleblower policy in place, which provides a platform to all employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud/misconduct. Through prudent strategies the Company has optimized asset utilization and preserved the collective funds at its disposal by avoiding unrelated diversification or over-ambitious expansion. By ensuring fair and ethical dealings with all stakeholders, the Company has a robust track record of Corporate Governance practices.

Going ahead, the Company aspires to continue deepening its focus towards the environmental social governance (ESG) aspect in the organization and create a sustainable future for all its stakeholders.

#### **Subsidiary Company**

The Company has one Subsidiary Company and two Subsidiary LLP's namely Anjani Tiles Limited and Packcart Packaging LLP & Race Polymer Arts LLP respectively.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiary. The Company does not have any material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link <https://www.cera-india.com/corporate/policy-for-determining-material-subsiadiary/>.

Those Shareholders who are interested in obtaining a copy of the audited annual financial statements of the subsidiary may write to the Company. The Audited financial statements of all subsidiaries are available on the website of the Company [www.cera-india.com](http://www.cera-india.com).

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 with rules made thereunder and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared consolidated financial statements of the Company and salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1 forming part of this Annual Report.

Further, your Company has decided for divestment of entire stake in one of its Subsidiaries, viz Anjani Tiles Limited and pursuant to the Resolution passed at the Board Meeting held on 5<sup>th</sup> August, 2021 for consideration of the proposal and in principle approval for divestment of the Company's entire stake in Anjani Tiles Limited, a subsidiary company, a Memorandum of Understanding (MOU) was executed on 17<sup>th</sup> August, 2021 by and amongst Cera Sanitaryware Limited (Cera), Anjani Vishnu Holdings Ltd (AVHL) (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL) (Subsidiary Company) for the transfer / divestment of entire stake in Anjani Tiles Limited, consisting of 1,02,00,000 Equity shares of ₹ 10/- each and 2,42,30,000 1% Cumulative Redeemable Preference shares of ₹ 10/- each on a fully diluted basis, for a total consideration of ₹ 2,869.20 Lakhs.

The Company, AVHL and ATL also entered in to Share Purchase Agreement (SPA) dated 26<sup>th</sup> August, 2021 pursuant to which the Company agreed to sell all the Equity and Preference Shares held by it in ATL to AVHL.

Total consideration as referred above, will be received by the Company in one or more tranches, beginning from 30<sup>th</sup> September, 2021 and completing on 31<sup>st</sup> March, 2023 through an escrow mechanism and as per the Payment Schedule set out in the MOU. Accordingly, the first tranche of ₹ 643.00 Lakhs has been received on 28<sup>th</sup> September, 2021 from the Acquirer Company and 64,30,000 Preference Shares of ATL have been transferred (off market) to AVHL on 29<sup>th</sup> September, 2021.

Further, pursuant to the MOU and SPA, the Share Escrow Agreement was executed by the Company, AVHL and ATL with Federal Bank Ltd. (Escrow Agent) jointly on 23<sup>rd</sup> November, 2021. Both Cera and AVHL have transferred their respective entire Equity shareholding and their respective balance Preference shareholding to the Escrow Account in January, 2022 with lien marked in favour of the Escrow Agent.

Company's shareholdings in Equity and Preference shares in ATL have been presented as Non-current Assets classified as Held for Sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard - 105 - "Non-current Assets Held for Sale and Discontinued Operations", measured at the lower of its carrying amount and fair value less costs to sell in respect of Equity shares and at fair value in respect of Preference shares as at 31<sup>st</sup> March, 2022. The impairment loss of ₹ 573.80 Lakhs on Equity Shares (Preference shares to be transferred at fair value which is equivalent to carrying amount) due to above arrangements has been recognised in the Statement of Profit and Loss as Exceptional Item.

#### **Particulars of contracts or arrangements with related parties**

All transactions entered with Related parties as defined under the Companies Act, 2013 and 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 basis, the details of which are included in the notes forming part of the financial statements.

There were no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. Further no materially significant related Party transactions were made by the Company with Directors, Key Managerial Personnels



or other Designated Persons, which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also the Board for approval. Pursuant to recent amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of related party transactions, the Board of Directors have revised the Policy on related Party transactions w.e.f. 1<sup>st</sup> April, 2022 and the same is uploaded on the Company's website i.e. [www.cera-india.com](http://www.cera-india.com).

### Corporate Social Responsibility

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities.

Following this principle the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website i.e. [www.cera-india.com](http://www.cera-india.com). As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year.

The Annual Report on Corporate Social Responsibility (CSR) Activities alongwith Annexure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate **Annexure-IV** and separate activity wise CSR Report has been annexed as per **Annexure -II**.

### Directors and KMP

Shri Sajan Kumar Pasari, Shri Lalit Kumar Bohania, Shri Surendra Singh Baid and Ms. Akriti Jain are the Independent Directors of the Company and they will not retire by rotation. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities. Shri Surendra Singh Baid is proposed to be re-appointed as Independent Director for further term of Five years at the ensuing Annual General meeting of the Company.

Due to personal reasons Shri Atul Sanghvi resigned as Executive Director & CEO of the Company from the end of 14<sup>th</sup> October, 2021. The Board placed its warm appreciation for the contribution made by him as an Executive director during the tenure on the Board of the Company.

Upon the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Shri Anupam Gupta as an Additional Director of the Company w.e.f. 15<sup>th</sup> October, 2021. Subsequently at the same meeting, he was appointed as an Executive Director (Technical) of the Company for period of 3 years w.e.f. 15<sup>th</sup> October, 2021 subject to approval of the members at the ensuing Annual General meeting of the Company.

The Board of Directors has re-appointed Shri Ayush Bagla as an Executive Director for a period of three years w.e.f. 14<sup>th</sup> May, 2022

and Shri Vikram Somany as Chairman and Managing Director for a period of five years w.e.f. 1<sup>st</sup> July, 2022. Their appointments are subject to approval of the members at the ensuing Annual General Meeting of the Company.

Smt. Deepshikha Khaitan, is liable to retire at the end of the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The resolutions proposing the appointment/reappointment of the Directors are set out in the notice convening Annual General Meeting for approval of members.

Brief resume of the director who is proposed to be reappointed at the ensuing Annual General meeting, as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening this Annual General Meeting of the Company.

There was no other change in the Key Managerial Personnel during the year under review except mentioned as above.

### Number of Meetings of the Board

The Board of Directors, during the financial year 2021-22 duly met 6 times on 02.06.2021, 10.06.2021, 05.08.2021, 31.08.2021, 26.10.2021 and 24.01.2022 in respect of these meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### Audit Committee

The Company has constituted Audit Committee in terms of the requirements of the Act and rules framed thereunder and applicable listing regulations. For details please refer Corporate Governance Report attached as a separate **Annexure-VI**.

### Directors' Responsibility Statement

In compliance of Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;
- that such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2022 and of the Profit of the Company for the year ended on that date;
- that 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;
- that the annual accounts have been prepared on a going concern basis;
- that internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule - IV of the Act and SEBI (LODR) Regulations, 2015, the Board has carried the evaluation of its own performance, individual directors, its committees and Key

Managerial Personnel, on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company.

The performance of Non-Independent Directors (including the chairperson) and the Board as whole was also evaluated by the Independent Directors at the separate meeting of Independent Directors of the Company. The Directors expressed their satisfaction with the evaluation process.

#### Policy on Directors appointment and remuneration

Criteria determining the qualifications, positive attributes and independence of Directors.

#### Independent Directors

- Qualifications of Independent Director.

An Independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

- Positive attributes of Independent Directors.

An independent director shall be a person of integrity, who possesses knowledge, qualifications, experience, expertise in any specific area of business, integrity, level of independence from the Board and the Company etc. Independent Directors are appointed on the basis of requirement of the Company, qualifications & experience, expertise in any area of business, association with the Company etc. He/She should also devote sufficient time to his/her professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

- Independence of Independent Directors.

An Independent director should meet the requirements of Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and give declaration to the Board of Directors for the same every year.

#### Other Directors and Senior Management

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

The Company shall not appoint or continue the employment of any person as Whole-time Director or Senior Management Personnel if the evaluation of his/her performance is not satisfactory. Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director(s) and Non-Executive Directors) are attached as a separate **Annexure-VI** to this Report.

#### Familiarisation Programme for Independent Directors

The Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations and issues faced by the ceramic industry. The Directors when they are appointed are given a detailed orientation on the Company, industry, regulatory matters, business & financial matters, human resource matters and corporate social responsibility. The details of Familiarisation programmes provided to the Independent Directors of the Company are available on the Company's website [www.cera-india.com](http://www.cera-india.com).

#### Remuneration / Commission from Holding or Subsidiary Company

Managing Director or Whole Time Director is not receiving any remuneration / commission from any Holding Company or Subsidiary Company.

#### Remuneration Policy

This Nomination and Remuneration Policy ("Policy") provides the framework and key guiding principles to be followed in for appointment and determination of remuneration of Directors, Key Managerial Personnel and Senior management personnel.

This Policy is to establish and govern the procedure applicable:

- To evaluate the performance of the members of the Board.
- To ensure 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.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The said Policy is available on the website of the Company [www.cera-india.com](http://www.cera-india.com)

#### Managerial Remuneration and Employees

Details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are enclosed as a separate **Annexure-V**.

Details of employees required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as a separate Annexure, however it is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013 and rules made there under. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Company has not offered its shares to its employees under ESOS during the year under review.

Company has not sanctioned loan to any of its employees for purchase of Company's shares under any scheme.

#### Corporate Governance and Management Discussion and Analysis

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance along with Practicing Company Secretary's Certificate on its compliance and Management discussion and Analysis have been included in this Annual Report as per separate **Annexure-VI** and **Annexure-I** respectively.

#### Business Responsibility Reporting

As required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Business Responsibility Report forms part of the Directors' Report and is enclosed as separate **Annexure-VII**.



**Annual Return**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Copy of Annual Return of the Company for the financial year ended March 31, 2022 will be placed on the Company's website at [www.cera-india.com](http://www.cera-india.com).

**Particulars of Loans, guarantees or investments u/s 186.**

The loans if any, made by the Company are within the limits prescribed u/s 186 of the Companies Act, 2013 and no guarantee or security is provided by the Company. Details of Investments covered u/s 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Risk Management Policy**

The Board has approved and implemented Risk Management Policy of the Company including identification and element of risks. Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy. The Committee shall also review cyber security matters of the company at various levels and also take necessary actions from time to time to mitigate the cyber risk to the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

The Risk Management system is also overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

**Internal Control System and its adequacy**

The Company has internal control system commensurate with the size, scale and complexity of its business operations. The scope and functions of Internal Auditor are defined and reviewed by the Audit committee. The Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor assesses opportunities for improvement of business processes, systems and controls, to provide recommendations, which can add value to the organization.

**Share Capital**

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2022 was Rs.650.29 Lakhs. During the year under review the Company has not issued any shares.

No shares with differential voting rights, stock or sweat equity shares were issued by the Company during the year under review.

During the year the Company has transferred 4746 Equity Shares to Investor Education and Protection Fund, pursuant to the provisions of sections 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

**Exchequer**

The Company has contributed ₹ 16,131 Lakhs to the exchequer by way of GST, customs duty, service Tax, income tax, VAT, salestax and other fiscal levies.

**Deposits**

The Company has not accepted and not renewed any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**Finance**

During the year under review, the Company does not have any long term loans/debts from Financial Institutions and Banks. The Company is availing Working Capital facility from State Bank of India.

During the year there is no default in payment of loan facility availed from Bank or Financial Institution, therefore details of difference between amount of valuation done at the time of one time settlement and valuation done while taking loan from bank or financial institutions is not applicable.

**Auditors and their Observations**

N.M. Nagri & Co., Chartered Accountants were appointed as Auditors at 19<sup>th</sup> Annual General Meeting ('AGM') held on 27<sup>th</sup> July, 2017 to hold the office of the Auditors up to the conclusion of the 24<sup>th</sup> Annual General Meeting.

The existing Auditor's firm has completed terms of five consecutive years pursuant to Section 139(2) of the Companies Act, 2013. The Audit Committee and the Board of Directors have recommended appointment of Singhi & Co., Chartered Accountants (Firm Registration No.302049E) as the Statutory Auditors of the Company for a term of five years from the conclusion of 24<sup>th</sup> AGM till the conclusion of the 29<sup>th</sup> AGM (AGM of Financial year 2026-27) subject to the approval of the members at the ensuing Annual General meeting.

Singhi & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Auditors' Report and Secretarial Audit Report to the members for the financial year under review does not contain any qualification, reservation or adverse remark or disclaimer.

The Statutory Auditors have not reported any fraud during the year under review.

**Cost Records and Cost Auditors**

The Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company. The Company has appointed K.G. Goyal & Co., as Cost Auditors for conducting cost audit for the year 2022-23.

**Secretarial Audit**

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company had appointed Parikh Dave & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year 2021-22. The Secretarial Audit Report for the year 2021-22 given by Parikh Dave & Associates, Company Secretaries in practice is annexed with this report.

**Secretarial Standards**

The Company is complying with the applicable Secretarial Standards.

**Insurance**

Your Company has adequately insured all its properties including Plant and Machinery, Building and Stocks.

**Industrial Relations**

The Company has in the past signed bilaterally negotiated four year wage agreements with workmen with detailed quantification of fixed and variable wages. A similar agreement on completion of the previous agreement's tenure was signed under section 2(p) 18(1) of Industrial Disputes Act, 1947, for 4 years with workers Union on 4<sup>th</sup> August, 2021 which took effect on 1<sup>st</sup> September, 2021. The new wage agreement was executed in harmonious environment and without any labour unrest and loss of production.

The Company has adequate skilled & trained workforce for its various areas of operations and the skills upgradation of which is being done on continuous basis for improving the plant operations and quality process.

The Company has taken sufficient measures to maintain Industrial Health and Safety at its workplace for employees as laid in the Gujarat State Factories Rules, 1963. The Company is also complying and maintaining all applicable Industrial and Labour laws/ rules.

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. The Company has not received any complaints during the year under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has organized 2 workshops under the said Act during the year under review.

**Material changes affecting financial position of the Company**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2022 and the date of the Board's Report.

There is no application pending under the Insolvency and Bankruptcy Code 2016 against the Company.

**Change in nature of business**

No changes have been made in nature of business carried out by the Company during the financial year 2021-22.

**Orders passed by Regulatory Bodies or Courts**

No regulatory body or court or tribunal has passed any significant and material orders impacting the going concern status and operations of the Company.

**Vigil Mechanism**

The Company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate **Annexure-VI**.

**Appreciation**

Your Directors thank the Financial Institutions and Bankers for extending timely assistance in meeting the financial requirements of the Company. They would also like to place on record their gratitude for the co-operation and assistance given by State Bank of India and various departments of both State and Central Governments.

For and on behalf of the Board of Directors,  
**For Cera Sanitaryware Limited**  
**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

Ahmedabad.  
10<sup>th</sup> May, 2022

## Annexure - I to the Directors' Report

## Management Discussion and Analysis

As Last fiscal year 2021-22 was a year of recovery in post Covid scenario. Your Company quickly adapted to the new market practice, understood customer expectation and delivered customized market specific solutions which helped in creating positive sentiments and as a result your company delivered double digit growth.

1. **Right product mix:**

Your Company was quick in conceiving, developing, manufacturing and rolling out Covid-appropriate products in the shortest time, like:

- Sensor faucets
- Anti-bacterial seat covers
- Rimless WCs
- Sensor urinals

2. **Use of high tech in manufacturing:**

Your Company has been in the forefront of co-creating indigenous technology for production, like 3D printing, robotic glazing, etc.

Your Company also implemented high pressure casting, for high end wall hung WCs, which could produce thirty pieces from one mould in a day, as compared to one piece by one worker in a day from conventional casting systems.

In Faucetware too, induction of high tech machines has helped increase production.

3. **Constant brand promotion:**

Your Company continued its brand promotion using television as well as digital platforms. Digital platforms were used to narrow-cast its ads to relevant target audience, thereby reducing the media wastage.

Making the product and brand visible through retail outlets has always been your Company's motto. Your Company does periodic audit of its retail outlets to ensure that the branding and product display are intact.

4. **After-Sales Service:**

Your Company's CERA Care team of technicians, with a 24-hour toll free call centre, and timely on-site service from the technicians to individual customers, has been one of its key strengths in generating customer loyalty and helping it garner word of mouth publicity.

Even during lockdown, CERA Care team members continued to connect to the needy customers and provide online solutions.

5. **Company Display Centres:**

For providing touch and feel experience to customers, the Company - managed large format CERA Style Studios in select cities, while dealers own and operate CERA Style Galleries and CERA Tile Galleries. In case of retailers owned customer touch points, CERA Style Centres and CERA Tile Centres provide customers not only an insight of your Company's products, but also a delightful shopping experience.

The CERA Style Studios operated as digital display centres with guided tour of the products for customers who did not want to visit the showrooms.

6. **Manpower Training:**

Your Company constantly imparts training to not only its own sales and service teams, but also to its dealers' and sub-dealers' salesmen. During the lockdown period and also in subsequent period, the training was conducted digitally.

7. **Industry Structure and Developments:**

Your Company is present in all segments—from affordable to luxury.

8. **Opportunities and Threats:**

After the lockdown was lifted, there was surge in demand. There would be an increase in demand for housing, giving the boost to the demand of your Company's products.

9. **Outlook:**

Your Company has been a preferred partner of CREDAI (Confederation of Real Estate Developers Associations of India), the apex body of developers, for the last seven years. Your Company also works closely with influencers and their associations like IIA (Indian Institute of Architects), IIID (Institute of Indian Interior Designers) & IPA (Indian Plumbing Association).

10. **Risks and Concerns:**

Any drastic change in Government policy may affect your Company.

11. **Internal Control Systems and their adequacy:**

The Company has an adequate system of internal financial controls with reference to the financial statements and also relating to the purchase of stores, raw materials, plant & machineries, equipment and various components and for the sale of goods commensurate with the size of the Company and the nature of business.

The system of internal control of the Company is adequate keeping in mind the size and complexity of your Company's business. Systems are regularly reviewed to ensure effectiveness. The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report on the internal audit function, necessary corrective actions in the respective areas are taken and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the audit committee of the board.

12. **Key Financial Ratios: (in times / %)**

S.N.	Ratio	2021-22	2020-21
1.	Inventory Turnover	6.30	6.42
2.	Interest Coverage Ratio (Refer Note No. I)	46.56	32.46
3.	Debtors Turnover (Refer Note No. II)	9.14	6.61
4.	Current Ratio	3.02	2.60
5.	Debt Equity Ratio	0.42	0.47
6.	Operating Profit Margin % (Refer Note No. I)	14.82%	11.53%
7.	Net Profit Margin %	10.36%	8.43%
8.	Return on Net Worth % (Refer Note No. I)	14.85%	11.59%

**Note :**

- There has been increase in current period's profit after taxes by 47% (YOY) due to favourable market conditions which were adversely affected in FY 2020-21 due to COVID19 and owing to the disruption at the manufacturing facility for about two and half months.
- Effective credit control steps including timely recoveries were taken during the current period resulting into reduction in Trade Receivables.

13. **Financial performance with respect to operational performance is discussed in the main part of the Report.**14. **Material Developments in Human Resources, Industrial Relations, Environment, Health & Safety**

Faced with the shortage of quality manpower, the thrust of your Company has been on talent improvement through training programmes.

Your Company continues to invest in training and development of its employees and has been organizing various training programmes from time to time. CERA's manpower strength as on March 31, 2022 stands at 2402.

The Company is ISO9001, 14001 and BS 18001 certified. Your Company is also a member of Indian Green Building Council (IGBC), promoted by Confederation of Indian Industry (CII).

Ahmedabad  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN : 00048827)

## Annexure - II to the Directors' Report

**Activitywise Corporate Social Responsibility (CSR) initiatives:****Empowering Society; Empowering Ourselves**

Real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. Your Company believe strongly in core values of empowerment and betterment of not only the employees but also communities. These were the principles of Late Shri Vidush Somany. Your Company's Executive Director had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of surrounding communities.

**CERA has undertaken following projects:**

- Continued the support to Bhagyoday Multi-Speciality Hospital Kadi in memory of Late Shri Vidush Somany for the welfare of poor and needy patients of Kadi & from nearby area. This year the contributions were spent for establishing new facilities like CATHLAB, Bypass Surgery unit with Heart Surgery Modular Operation Theatre, Oxygen Generator plant and establishing new ward at First Floor of the Hospital.
- Undertaken about 10000 plus plantation and maintenance on road divider about 11 K.M. from Chhatral to Kadi since last 5 years.
- Contribution to Rotary Children's Welfare Trust for setting up Paediatric Intensive Care Unit (PICU) at RamaKrishna Mission Seva Pratisthan and Paediatric Ward with High Dependency Unit (HDU) at RamaKrishna Mission Sarada Matri Bhawan, Tollygunge, Kolkata.
- Contribution to Rotary Club of Calcutta towards providing Prosthetic / Jaipur Limbs.
- Contribution to Rotary Children's Welfare Trust in support of the project at Asha School to facilitate sensory play area for differently able children.
- Contribution to Rotary Children's Welfare Trust towards their proposed project at Ayodhya Hills School Hostel Building.
- Contribution made for the support to Old Age and Widows, provided daily lunch to needy and support given to Girls hostel for education and food.

- Contribution to Indian Red Cross Society – Kalol for IT Equipments
- Contribution to ESIC Hospital – Kalol for X-Ray Machine and other general facilities.
- Support to widows of COVID-19 victims.

Due to various COVID-19 waves which prevailed during the year, our regular CSR activities to various agencies like vocational coaching for students, women empowerment in nearby areas, Divyanagri Program for upliftment of children from slum etc could not take place in support of the guidelines issued by State & Central Government.

**Further to this, in recent past Company has undertaken various CSR activities as under:**

- Contributed ₹ 24.69 Lakhs to PM Cares Fund in support of the objective of the fund to strengthening the fight against COVID-19.
- Contributed ₹ 230 lakhs out of total committed ₹ 650 Lakhs towards construction of new engineering college named as "Vidush Somany Institute of Technology and Research" in the campus of "Sarva Vidyalaya Kelavani Mandal". Kadi (SVKM) with a total capital outlay of ₹ 4212 Lakhs. The total committed contribution has been paid in full. This institute will conduct initially five branches of engineering, viz. Ceramic Technology, Computer Engineering, Information Technology, Civil and Mechanical Engineering. The said college is in full operations. The new branches will be added after the year as per the guidelines of AICTE.
- Continued the contribution to "Annamrita Foundation"- Kolkata, for providing mid-day meals to 1100 needy children daily.
- Contribution made to Basu Foundation for upliftment of Arts.

Ahmedabad.  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

**Annexure - III to the Directors' Report**

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, 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 and forming part of the Report of the Board of Directors for the year ended 31<sup>st</sup> March, 2022.

**A. Energy Conservation**

Discussed in main report

**B. Technology Absorption**

High pressure casting technology in Sanitaryware.

**Research and Development (R & D)****1. Specific areas in which R & D is carried out :**

The Company's Research & Development Unit recognized by the Department of Scientific and Industrial Research (DSIR), Government of India, since 1989 has been relentlessly working for the improvement in quality of sanitaryware products, cost reduction through the use of new and cheaper raw materials, waste materials, changes incorporated in their quality specifications, minimizing wastes and losses at different stages of production, recycling of unfired and fired wastes generated in production as well as pollution abatement to keep the company ahead of market competition.

Some innovative R&D activities carried out and commenced commercial production during the year under report are:

- ❖ New state-of-the-art R&D centre developed at Kadi factory premises. The centre boasts of advanced test equipment for material science and ceramic technology. This Centre of Excellence is designed to keep the R&D activity as a strategic initiative. This will help us keep at the forefront of innovations in the Sanitaryware Industry worldwide. This centre is DSIR, Govt. of India, approved.
- ❖ Development of indigenous and Imported plaster of Paris from different sources to increase mould's life.
- ❖ Development of Refire glaze for recovery and Productivity.
- ❖ Development of Gold decorative process by electroplating process.
- ❖ Development of suitable pressure casting body.
- ❖ Ramp up Robotic Glazing System in production. This gives us more controlled and uniform glaze coating on the sanitaryware as compared to manual glazing. This type of uniform glaze coating provides better aesthetic look of final products. Robotic glazing reduces dependence on manual labour. These are the highly advanced robotic systems with sophisticated control mechanism.
- ❖ Development of biscuit fired shrinkage plate tiles. These tiles reduce squat, undulation, foot crack of critical items by loading on it. Especially quality of wall hung products has improved significantly by using this.
- ❖ Also, in final product quality, Company has introduced automatic leakage detection test and overflow test. These tests help to improve functional quality of final products.
- ❖ Introduced different colours of silk glazes which enhance uniqueness as well as verity and versatility.
- ❖ Under the initiative of 'Waste Minimization and Waste Utilization', numerous measures have been taken. This includes recycling of solid and liquid, ZLD (zero liquid discharge) plant, high energy efficient rated machines, compliance to pollution norms, awareness-generation among employees etc.
- ❖ In keeping with eco-friendly tradition, Company has developed 04 liters flushing system with same effectiveness as 06 liters flushing system. By 30% reduction in water consumption, this technology will help to save precious water. Company also reduced its water dependence on state supply by recycling full water requirement of manufacturing process. Company developed a fully functional rain-water-harvesting system.
- ❖ Product Certifications: All company's products are ITC (Institute for Testing and Certification, Czech Republic) certified. Company have completed IAPMO (USA Certification Agency) for almost half of company's products and are in process to get more products under this certification. Company have also started its product certification from SGS (Emirates Authority for standardization and Metrology).

Company's all products are CE (Conformité Européenne) certified from QVC Certification. company has completed IAPMO (USA Certification Agency) for almost half of the products and are in process to get more products under this certification. Company's Products have GRIHA (Green Rating for Integrated Habitat Assessment) Certification and company is getting more products under this certification. All the Qualified products are GreenPro certified from CII.

**2. Benefit derived as a result :**

With the introduction of new and cheaper raw materials from new sources and import substitution of raw materials, colors and other inputs, the cost of production is expected to reduce further.



## 3. Future plan of action :

- ❖ Under company's eco-friendly initiatives, company will improve energy input from renewable sources, mainly Solar Energy, which is already installed. Company also plan to redesign its Glaze Spray system for maximum recovery and recycle of glaze.
- ❖ With a focus on automation, company will introduce more Robots in its manufacturing process. In company's firing process company plan to introduce automatic gas pressure regulation system.
- ❖ Company will build its capability and capacity to manufacture high value products. These products will have ergonomic and aesthetic designs, will be bigger in size and will have attractive appearance. Stain-free, antimicrobial and self-cleaning coatings can also be applied. Metallic and Copper glaze will be introduced further.
- ❖ Company will develop its manufacturing ability for more complex designs. In this regard, Company has planned more Bench to Battery conversions where efficiency and productivity is improved. The Battery Casting method is much more ergonomic and will have positive impact on workmen health. Also company has introduced more semi-automatic casting process like pearl casting, vertical casting, and beam casting in production.
- ❖ Company has set-up a new R&D facility. Company expect to focus on consistent raw materials, less crack prone ceramic body, aesthetically appealing glazes, and better testing & analyzing methods / tools.

## 4. Expenditure on R &amp; D :

a) Capital	:	₹ 1.44 Lakhs
b) Recurring	:	₹ 188.94 Lakhs
c) Total	:	₹ 190.38 Lakhs
d) Total R & D Expenditure as a percentage of total turnover	:	0.13%

**C. Foreign Exchange earnings and outgo**

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. Foreign exchange used and earned by the Company during the year is as under:

Total foreign exchange used	:	₹ 8,053.87 Lakhs
Total foreign exchange earned	:	₹ 2,347.86 Lakhs

Ahmedabad.  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

## Annexure - IV to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities  
for the financial year ended on 31<sup>st</sup> March, 2022

## 1. Brief outline on CSR Policy of the Company.

We believe real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, Late Shri Vidush Somany our Executive Director had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

## 2. Composition of CSR Committee.

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Shri Vikram Somany	Chairman & Managing Director	2	2
ii	Smt. Deepshikha Khaitan	Joint Managing Director	2	2
iii	Shri Anupam Gupta*	Executive Director (Technical)	2	2
iv	Shri Surendra Singh Baid	Independent Director	2	2

\* Shri Anupam Gupta appointed as the member of the Committee w.e.f. 26.10.2021

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee : <https://www.cera-india.com/corporate/key-personnel/>

CSR Policy : <https://www.cera-india.com/corporate/corporate-social-responsibility-policy/>

CSR Projects approved by the Board : <https://www.cera-india.com/corporate/corporate-social-responsibility/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **NIL**

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

6. Average net profit of the company as per section 135(5). **₹ 14,477.96 Lakhs**7. (a) Two percent of average net profit of the company as per section 135(5) **₹ 289.56 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -

(c) Amount required to be set off for the financial year, if any -

(d) Total CSR obligation for the financial year (7a+7b-7c). **₹ 289.56 Lakhs**

## 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<b>291.03</b>	<b>NIL</b>	<b>N.A.</b>	<b>N.A.</b>	<b>NIL</b>	<b>N.A.</b>

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

**NIL Company have no such Ongoing Project**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State/ District						Name/CSR Registration number
1	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>					-	-	-		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation-Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State	District			Name	CSR registration number
1	Scholarship to Meritorious Students; Educational Support	Promoting Education and enhancing vocational skills	Yes	Gujarat/ Other States	Mehsana/ Kolkata	38.36	Direct	N.A.	N.A.
2	Medical Assistance Health Camps and Yoga Facility, Eradicating hunger	Eradicating hunger, poverty, Malnutrition, promoting health care and sanitation	Yes	Gujarat / West Bengal	Mehsana / Kolkata	204.34	Direct	N.A.	N.A.
3	Rural Development	Rural Development	Yes	Gujarat / West Bengal	Mehsana / Kolkata	18.57	Direct	N.A.	N.A.
4	Disaster Management	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Gujarat	Mehsana	29.76	Direct	N.A.	N.A.
	<b>TOTAL</b>					291.03			

(d) Amount spent in Administrative Overheads

**NIL**

(e) Amount spent on Impat Assessment, if Applicable

**NIL**

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

**₹ 291.03 Lakhs**

(g) Excess amount for set off, if any

**NIL**

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

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	-	-	-	-	-	-	-
	TOTAL						

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

**NIL Company have no such Ongoing Project**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial year in which in project was commenced	Project duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cummulative amount spent at the end of the reporting year (in ₹)	Status of the project - Completed / Ongoing
1	-	-	-	-	-	-	-	-
	TOTAL							

- 10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **Not applicable**

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

**Not applicable as the company has fully spent and undertaken various projects mentioned above.**

Ahmedabad  
10<sup>th</sup> May, 2022

Anupam Gupta  
Executive Director (Technical)  
(DIN:09290890)

Vikram Somany  
Chairman and Managing Director  
Chairman of CSR Committee  
(DIN:00048827)



## Annexure - V to the Directors' Report

Details as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.No.	Particulars																								
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	<table><tr><th colspan="6">Wholetime Directors</th></tr><tr><td>CMD</td><td>JMD</td><td colspan="2">ED (Technical)</td><td colspan="2">ED</td></tr><tr><td>40 X</td><td>10 X</td><td colspan="2">8 X (w.e.f. 15.10.2021)</td><td colspan="2">10 X</td></tr></table>						Wholetime Directors						CMD	JMD	ED (Technical)		ED		40 X	10 X	8 X (w.e.f. 15.10.2021)		10 X	
Wholetime Directors																									
CMD	JMD	ED (Technical)		ED																					
40 X	10 X	8 X (w.e.f. 15.10.2021)		10 X																					
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.	<table><tr><th colspan="4">Wholetime Directors</th></tr><tr><td>CMD</td><td>JMD</td><td>ED (Technical)</td><td>ED</td></tr><tr><td>10%</td><td>10%</td><td>NA</td><td>10%</td></tr></table>				Wholetime Directors				CMD	JMD	ED (Technical)	ED	10%	10%	NA	10%	<table><tr><th colspan="2">KMPs</th></tr><tr><td>CFO</td><td>CS</td></tr><tr><td>10%</td><td>10%</td></tr></table>		KMPs		CFO	CS	10%	10%
Wholetime Directors																									
CMD	JMD	ED (Technical)	ED																						
10%	10%	NA	10%																						
KMPs																									
CFO	CS																								
10%	10%																								
iii.	The % increase in the median remuneration of employees in the financial year.	10%																							
iv.	The number of permanent employees on the rolls of Company.	2402																							
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average 10% increase in the salaries of the employees at all the levels across the organization.																							
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the company.																							

Ahmedabad.  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

## Annexure - VI to the Directors' Report

## CORPORATE GOVERNANCE REPORT

(As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

## 1) Company's Philosophy

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 Company is in compliance, in letter and spirit, with the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regards to corporate governance.

For the company the adherence to the corporate governance is not only from the letter of law but to do the business in a right and legal way.

## 2) Board of Directors

Composition of the Board:

The Board comprises of a Chairman & Managing Director, Joint Managing Director, 2 (two) Executive Directors and 4 (four) Independent Directors.

Number of Board Meetings:

During the year under review, 6 (six) Board Meetings were held on 02.06.2021, 10.06.2021, 05.08.2021, 31.08.2021, 26.10.2021 and 24.01.2022.

None of the directors on the Board are members in more than ten committees and they do not act as Chairperson of more than five committees across all listed companies in which they are directors.

The composition of Board of Directors and category of directors, their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of other directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other directorships	No. of Other Committee Memberships@	Names of Listed entities where person is also director and category of Directorship^
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	6	Yes	2	—	—
2.	Smt. Deepshikha Khaitan	Joint Managing Director Promoter Director	6	Yes	3	—	—
3.	Shri Sajjan Kumar Pasari	Non-Executive Independent Director	6	Yes	8	—	—
4.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	6	Yes	11	—	—
5.	Shri Anupam Gupta #	Executive Director (Technical)	2	N.A.	0	—	—
6.	Shri Ayush Bagla	Executive Director	6	Yes	2	—	—
7.	Shri Surendra Singh Baid	Non-Executive Independent Director	6	Yes	1	—	—
8.	Ms. Akriti Jain	Non-Executive Woman Independent Director	6	Yes	0	—	—
9.	Shri Atul Sanghvi*	Executive Director & CEO	4	Yes	N.A.	N.A.	N.A.

Note:

# Shri Anupam Gupta appointed as an Additional Director and subsequently appointed as an Executive Director (Technical) w.e.f. 15<sup>th</sup> October, 2021.

\* Shri Atul Sanghvi ceased to be an Executive Director & CEO due to resignation effective from the end of 14<sup>th</sup> October, 2021.

^ None of the Director is Director in any other Listed entity.

@ These numbers exclude the Committee membership held in the Company, Committee memberships of private companies, high value debt listed entities, Section 8 companies and foreign companies.

The Company provides the 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 the 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 byway of presentations and discussions during the meeting.

Shri Vikram Somany, Chairman & Managing Director is a father of Smt. Deepshikha Khaitan, none of the other Directors are related to any other Director on the Board in terms of definition of 'relative' as per the Companies Act, 2013.

All Independent Directors are experienced and competent in their respective field. They actively participate in the Board and Committees which gives significant value addition in the decision-making process. The details of Familiarization programs imparted to independent directors is available on Company's website i.e. www.cera-india.com

During the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

## Skills / Expertise / Competence of the Board:

The Board comprises of Directors with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, competence and area of expertise that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess knowledge relating to:

Ceramic Industry	Wide experience and expertise possessing knowledge relating to clay, sculptures, pottery items, home-ware products, cookware, bathroom fittings etc with innovative ideas innovative technology for enhancing the production.
Commercial	Ability to understand what makes business or organization successful through either buying or selling products, cost of goods and Services and taxes etc.
Finance	Having knowledge in accounting, finance, treasury, tax, financial management of large-scale corporates, financial reporting process etc.
Sales and marketing	Having understanding of complex and large corporate structure supply and marketing chain, strategic planning, marketing skills. Understanding local and global trends in the business.

Technology and technical know how.	Having knowledge of emerging areas of digital technology, artificial intelligence, cyber technology etc. and having good understanding of technical knowhow and technologies specifically used in ceramic industry.
General Administration and Human Resources	Having understanding of organizational system, complex business and regulatory environment, strategic planning and handling routine affairs and Human resources of the Company.
Risk management and mitigation planning	Ability to understand and assess the key risks to the organization, legal compliances, and to ensure that appropriate procedures and policies are in place for effective managing the Company and mitigate risk.
Legal and Corporate Laws	Understanding the legal eco system in which the Company operates, Experience and expertise in implementing good corporate governance, managing Stakeholders' interest, possessing the required skill and knowledge of laws and regulations applicable to the Company and ensuring its compliance in the best interest of the Company.

**Chart / matrix setting out the skills/expertise/competence of the Board of Directors**

Area of expertise/skills	Vikram Somany	Deepshikha Khaitan	Anupam Gupta	Sajan Kumar Pasari	Lalit Kumar Bohania	Ayush Bagla	S.S. Baid	Akriti Jain
Ceramic Industry	✓	✓	✓			✓	✓	
Commercial	✓	✓	✓	✓	✓	✓		
Finance	✓	✓		✓	✓	✓		
Sales and marketing	✓	✓		✓		✓	✓	
Technology and technical knowhow	✓	✓	✓	✓			✓	
General Administration and Human Resources	✓	✓	✓	✓		✓	✓	✓
Risk Management and Mitigation Planning	✓	✓	✓			✓		
Legal and Corporate Laws	✓	✓	✓	✓	✓	✓		✓

#### Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of the specific duties, obligations and governance were also evaluated.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Board also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### Independent Directors' Meeting:

During the year under review, a separate meeting of Independent Directors was held on 28<sup>th</sup> March, 2022 inter alia, to discuss:

- Review of the performance of Non-Independent Directors, Executive Directors, Joint Managing Director and Board as whole;
- Review of the performance of the Chairman & Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

On the basis of the declarations made by the Independent Directors, the Board of Directors are of the opinion that the Independent Directors of the Company fulfills conditions specified in Companies Act, 2013 and under SEBI (LODR) Regulations, 2015 and are Independent of the management of the Company.

#### Prohibition of Insider Trading:

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Designated Persons and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. 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 and cautions them of consequences of violations. The Company has updated and revised the Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015 time to time. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

**Code of Conduct**

The Company has implemented model code of conduct for the Board members and senior Officers of the Company. The code of conduct has been posted on the website of the Company i.e. [www.cera-india.com](http://www.cera-india.com).

It is hereby confirmed that all the board Members and senior officers of the Company have affirmed compliance with the code of conduct of the Company for the financial year under review.

**3) Audit Committee**

The Audit Committee consists of 5 (Five) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Vikram Somany – Member, Shri Sajan Kumar Pasari (Independent) – Member, Shri Surendra Singh Baid (Independent) – Member and Ms. Akriti Jain (Independent) – Member.

**Terms of reference**

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under regulation 18 and Part –C of Schedule - II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 inter-alia including the following:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices & reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - modified opinion (s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings & follow up there on;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

Additionally, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor
- 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).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).



During the year, 5 (Five) Audit Committee Meetings were held on 02.06.2021, 10.06.2021, 05.08.2021, 26.10.2021 and 24.01.2022.

Details of number of meetings and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Lalit Kumar Bohania	5	5
Shri Vikram Somany	5	5
Shri Sajan Kumar Pasari	5	5
Shri Surendra Singh Baid	5	5
Ms. Akriti Jain	5	5

The meetings of the Audit Committee are also attended by the CFO, the Statutory Auditors, the Internal Auditors and the Company Secretary. The Audit Committee also holds a separate meeting with Statutory Auditors in absence of the management. The Company Secretary acts as Secretary to the Committee. Shri Lalit Kumar Bohania, Chairman of the Audit Committee was present at the last Annual General Meeting held on 4<sup>th</sup> August, 2021.

#### 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, comprises of 4 (Four) directors as its members namely, Shri Surendra Singh Baid (Independent) – Chairman, Shri Vikram Somany - Member, Shri Lalit Kumar Bohania (Independent) - Member and Shri Sajan Kumar Pasari (Independent) - Member.

The committee recommends appointment and remuneration of directors, key managerial personnel and senior management personnel to the Board. The Committee fixes the Remuneration of Executive Directors, which include all elements of remuneration package i.e. salary, benefits, commission, bonus, incentives, pension, retirement benefits and such other benefits. The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as may be necessary.

The role of the Nomination and Remuneration Committee as specified in Part D of the Schedule II of SEBI (LODR) Regulations, inter-alia includes following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity,
  - c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

During the year under review, 1 (One) Nomination and Remuneration Committee Meeting was held on 31<sup>st</sup> August 2021. Details of number of meeting and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Surendra Singh Baid	1	-
Shri Vikram Somany	1	1
Shri Lalit Kumar Bohania	1	1
Shri Sajan Kumar Pasari	1	1

Independent Directors are appointed, and their performance are evaluated based on the criteria such as knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company, number of meetings attended, familiarization programs attended, time devoted etc.

Executive Directors are appointed on the basis of requirement of the Company, qualifications & experience, association with the Company, loyalty etc.

The committee recommends appointment of directors to the Board.

#### 5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, consists of 4 (Four) directors as its members namely, Shri Vikram Somany-Chairman, Shri Anupam Gupta - Member, Smt. Deepshikha Khaitan - Member and Shri Surendra Singh Baid (Independent)-Member. Shri Atul Sanghvi ceased to be the member of committee due to his resignation and Shri Anupam Gupta was appointed as member of the Committee w.e.f. 26<sup>th</sup> October, 2021.

The Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy and monitor and review the same and determine implementation process / execution of CSR policy. The Committee recommend to the Board the CSR Projects & Activities to be carried out by the Company for the financial year and Annual Action plan, timeline, implementation schedule and manner of execution of CSR activities.

The CSR Policy of the Company is displayed on the website of the Company. Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure to the Directors' report.

During the year under review, 2 (two) meeting were held on 9<sup>th</sup> December, 2021 and 23<sup>rd</sup> February, 2022. Details of number of meetings and attendance there at is as under :

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	2	2
Smt. Deepshikha Khaitan	2	2
Shri Surendra Singh Baid	2	2
Shri Anupam Gupta	2	2

**6) Risk management Committee:**

The Board of directors have framed, approved and implemented Risk Management policy of the Company to identify, monitor, mitigate and minimize the elements of risks.

Pursuant to amendments in SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy. The Committee has included in its scope cyber security and has reviewed the matters in its connection at various levels and also takes necessary actions from time to time to mitigate the cyber risk to the Company in accordance with SEBI (LODR) Regulations, 2015. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

Risk Management Committee comprises of Shri Vikram Somany (Chairman), Smt. Deepshikha Khaitan (Member), Shri Ayush Bagla (Member), Shri Anupam Gupta (Member), Shri Surendra Singh Baid, Independent (Member) and Shri Rajesh B. Shah, CFO (Member). Shri Atul Sanghvi ceased to be the member of committee due to resignation and Shri Anupam Gupta was appointed as member of the Committee w.e.f. 26<sup>th</sup> October, 2021.

The role of the Risk Management Committee as specified in Part D of the Schedule II of SEBI (LODR) Regulations, inter alia includes following:

- To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

During the year 2 (Two) meetings of Risk Management Committee were held on 9<sup>th</sup> December, 2021 and 23<sup>rd</sup> February, 2022. The Risk management Committee's noting and observation was placed before the Board for information and necessary action of the Board/management.

Details of number of meetings and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	2	2
Smt. Deepshikha Khaitan	2	2
Shri Ayush Bagla	2	2
Shri Surendra Singh Baid	2	2
Shri Anupam Gupta	2	2
Shri Rajesh B. Shah	2	2

**7) Remuneration Policy**

Remuneration of employees largely consists of basic remuneration and perquisites.

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him/her and his/her individual performance etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and to retain talent in the organization and accord merit.

Pursuant to the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to appointment and payment of remuneration to Directors, KMPs, and other senior management employees which was approved by the Board and is uploaded on the website of the Company at [www.cera-india.com](http://www.cera-india.com).

**8) Details of remuneration for the year ended 31.03.2022.****(i) Managing Director / Whole-time Director(s)**

(₹ in Lakhs)

Name and Designation	Remuneration	Perquisites and other benefits	Commission
Shri Vikram Somany Chairman and Managing Director	658.87	75.74	—
Smt. Deepshikha Khaitan Joint Managing Director	262.80	18.92	—
Shri Anupam Gupta Executive Director (Technical) (From 15 <sup>th</sup> October 2021)	130.64	9.10	—
Shri Ayush Bagla Executive Director	202.88	15.50	—
Shri Atul Sanghvi Executive Director & CEO (Upto 14 <sup>th</sup> October 2021)	159.57	84.48	—

Performance incentive to the Managing and whole time Directors are based on the sales achieved and operating profit of the Company on the basis of the criteria decided by the Nomination and Remuneration Committee /Board of Directors/Chairman and Managing Director from time to time.

Executive Directors' appointment is for the period of 3 years. The Executive Directors' may resign from the service of the Company by giving three months' notice in

advance. The Company has the right to terminate the service of Executive Director/s except Chairman and Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

The Executive Directors are also entitled to the benefits as per the Rules of the Company, which the other senior executives/employees of the Company are entitled to.

Presently, there is no operational Employees Stock Option Scheme (ESOS) in the Company. ESOS does not form a part of contract with the Directors of the Company.

Managing Director, Joint Managing Director and the Executive Directors are not entitled to the sitting fees for attending the Board / Committee Meetings.

## (ii) Non-Executive Directors & their Shareholding

Members of the Company at their Annual General Meeting held on 27.07.2017 have passed the resolution for payment of commission to Directors not in whole time employment of the Company not exceeding 1% of the net profit of the Company. The commission is to be distributed among Directors not in whole time employment as maybe decided by Board of Directors.

Criteria for Remuneration to Non-Executive Directors (NEDs):

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The role of non Executive Directors is significant in achieving good performance and establishment of good governance. The responsibility of the non Executive Directors has increased considerably over the years. Considering the same, the members of the Company at their Annual General Meeting held on 27<sup>th</sup> July, 2017 have approved the payment of 1% commission to the directors not in whole time employment of the Company, for a period of 5 years from 01.04.2018 to 31.03.2023. And as such the same may be renewed for further period of 5 years w.e.f 01.04.2023 subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

Details of remuneration to the non-executive Directors of the Company and their shareholding are as under:

Name of the Director	Sitting Fees (₹ in Lakhs)	Commission (₹ in Lakhs)	No. of Shares held	% of total shareholding
Shri Sajan Kumar Pasari	0.70	4.00	236696	1.82%
Shri Lalit Kumar Bohania	0.70	4.00	Nil	Nil
Shri Surendra Singh Baid	0.70	4.00	Nil	Nil
Ms. Akriti Jain	0.70	4.00	Nil	Nil
<b>TOTAL</b>	<b>2.80</b>	<b>16.00</b>		

## 9) Share Transfer Committee

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in order to expedite the process of share transfers / Duplicate/transmissions / transposition/splits /consolidation / name deletion and all the matters in connection with the securities issued by the Company, frequently as and when the need arises, the Board had delegated the powers for dealing in all the matters relating to securities of the Company to the Share Transfer Committee.

The said Committee comprises of 3 (three) directors as its members, namely, Shri Anupam Gupta - Chairman, Shri Surendra Singh Baid (Independent) - Member and Shri Lalit Kumar Bohania (Independent) - Member. Shri Atul Sanghvi ceased to be the member of committee due to resignation and Shri Anupam Gupta was appointed as member of the Committee w.e.f. 26<sup>th</sup> October, 2021.

All requests for dematerialization and re-materialization of shares were confirmed / rejected into the NSDL / CDSL system within stipulated time period.

## 10) Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Company has constituted the Stakeholders Relationship Committee.

The Committee comprises of 3 (three) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Anupam Gupta – Member and Shri Surendra Singh Baid (Independent) – Member. Shri Atul Sanghvi ceased to be the member of committee due to resignation and Shri Anupam Gupta was appointed as member of the Committee w.e.f. 26<sup>th</sup> October, 2021.

During the year, 1 (One) meeting of Stakeholders Relationship Committee was held on 29<sup>th</sup> March 2022.

Name and Designation of Compliance Officer:

Shri Hemal Sadiwala, Company Secretary and Compliance Officer.

Status of Complaints during the financial year ended on 31.03.2022:

Complaints at the beginning of the year	0
Complaints received during the year	2
Complaints resolved during the year	2
Complaints remain unresolved at the end of the year	0

All the complaints received from the Shareholders were resolved to the satisfaction of shareholders. There is no complaint pending as on 31.03.2022, which is not attended / replied by the Company. However, Company has not received any serious complaints during the year.

**11) General Body Meetings**

The last three Annual General Meetings/Extra ordinary General Meeting were held as under:

Financial Year ended	Date	Time	Venue
31.03.2021	04.08.2021	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2020	10.09.2020	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2019	31.07.2019	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
Extra-Ordinary General Meeting:			
Date	Time	Venue	
15.05.2019	11.30 a.m.	9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana.	

During last three Annual General Meetings/Extra Ordinary General Meeting, following special resolutions were passed:

- 1) Appointment of Smt. Deepshikha Khaitan as Joint Managing Director. (Annual General meeting dated 10.09.2020)
- 2) Re-appointment of Shri Atul Sanghvi as Executive Director & CEO. (Annual General meeting dated 10.09.2020)
- 3) Appointment of Shri Ayush Bagla as an Executive Director. (Annual General meeting dated 31.07.2019)
- 4) Payment of Commission to Smt. Deepshikha Khaitan. (Annual General meeting dated 31.07.2019)

During last three years no resolution is passed through Postal Ballot. No resolution is proposed to be conducted through Postal Ballot as on date.

**12) Means of Communication**

1. Quarterly results are published in leading daily newspapers viz. Financial Express / The Economic Times/ Business Standard / Indian Express and a local language newspaper viz. The Economic Times/Financial Express/ Navgujarat Samay. The annual reports are circulated to all the members of the Company electronically, whose e-mail ids are registered with depository participant and with the Registrar and Share Transfer Agent / Company only.
2. The official news releases/investor communication, if any, are given directly to the press and simultaneously submitted to the Stock Exchanges.
3. Quarterly and annual financial results, Shareholding pattern and other general information of the company are displayed on the company's website [www.cera-india.com](http://www.cera-india.com).
4. Earnings Calls and Presentations

At the end of each quarter, the Company organizes meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings calls are uploaded on the website of the Company thereafter.

**13) General Shareholders' Information****1. Annual General Meeting**

Date and Time : Thursday, 30<sup>th</sup> day of June, 2022 at 11.30 a.m.

Venue : The company is conducting meeting through VC/OAVM pursuant to the relevant MCA circulars in this regard and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

**2. Financial Calendar 2022-23 (tentative)**

Annual General Meeting: By 3<sup>rd</sup> / 4<sup>th</sup> week of August, 2023

Results for quarter ending By 15<sup>th</sup> day of

June 30, 2022 August, 2022

September 30, 2022 November, 2022

December 31, 2022 February, 2023

March 31, 2023 (Audited) By 29<sup>th</sup> May, 2023

**3. Dividend Payment**

Dividend for the year ended 31.03.2022 will be paid to the members whose names will appear in the register of members of the Company, on 22<sup>nd</sup> June, 2022 and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 14<sup>th</sup> June, 2022.

Dividend will be paid within 30 days from the date of approval by the members at the Annual General Meeting either by posting of dividend warrants / demand draft or by direct credit into the members' bank accounts.

In accordance with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors has adopted Dividend Distribution Policy and same is placed on the website of the Company at: <https://www.cera-india.com/policy-and-statutory-documents/dividend-distribution-policy>

**4. Transfer of Shares to Investor Education and Protection Fund**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 2<sup>nd</sup> June, 2021 and Company has sent individual notices to the shareholders on 27<sup>th</sup> May, 2021 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. Those shareholders who have not claimed their shares, such shareholders' shares have been transferred to the Investor Education and Protection Fund during the year 2021-22. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).



## 5. Listing on Stock Exchanges

The Company's shares are listed at BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P J Towers Dalal Street, Fort Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

The company has paid listing fees for the year 2021-22 and 2022-23 to both the Stock Exchanges.

BSE Limited

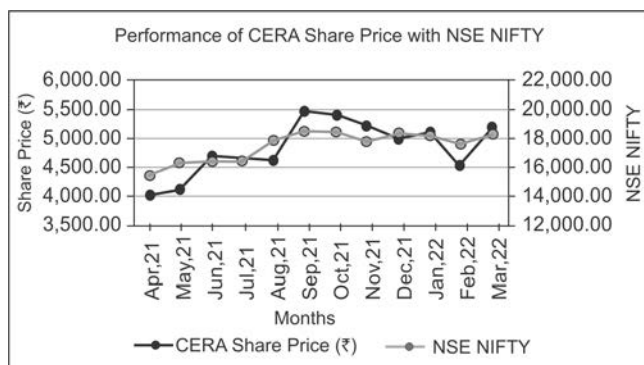
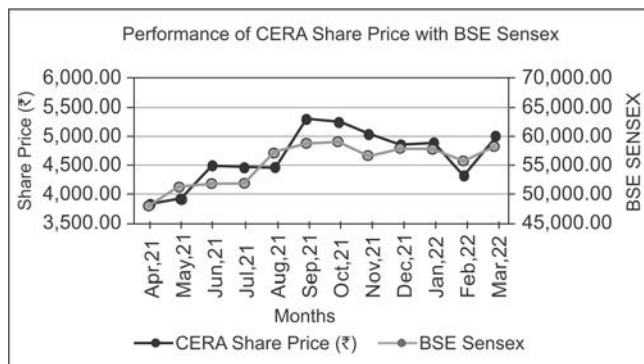
Scrip Code : 532443 Scrip ID : CERA

National Stock Exchange of India Limited

Trading Symbol : CERA.

## 6. Share price at BSE and NSE

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-2021	4,003.70	3,695.60	4,108.20	3,681.20
May-2021	4,248.85	3,650.00	4,251.00	3,751.00
Jun-2021	4,892.35	3,935.30	4,895.00	3,934.55
Jul-2021	4,642.55	4,244.95	4,650.00	4,249.95
Aug-2021	4,847.00	4,388.40	4,844.00	4,380.00
Sep-2021	5,699.00	4,193.10	5,700.00	4,191.75
Oct-2021	6,430.45	5,030.00	6,450.00	5,030.00
Nov-2021	5,580.40	4,753.85	5,645.00	4,750.00
Dec-2021	5,090.40	4,434.90	5,084.70	4,415.65
Jan-2022	5,080.05	4,280.10	5,072.00	4,204.65
Feb-2022	4,924.20	3,982.30	4,966.80	3,953.20
Mar-2022	5,004.15	4,211.85	5,009.00	4,185.00



## 7. Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / rematerialization job is assigned to MCS Share Transfer Agent Limited, a SEBI registered Registrar and Share Transfer Agent. Request for Share transfer, dematerialization and re-materialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 Contact No. 079- 26580461/ 462, Email: mcsstaahmd@gmail.com. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

## 8. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition or re-lodgement of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Board has delegated the authority for approving transfer, transmission etc. to the Share Transfer Committee.

The Company obtains annually certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on yearly basis.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission, transposition or re-lodgment of securities) is not being processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

## 9. Information for Physical Shareholders

With reference to SEBI Circular dated 3<sup>rd</sup> November, 2021 read with SEBI Circulars dated 14<sup>th</sup> December, 2021 and 25<sup>th</sup> January, 2022 on Common and Simplified Norms for processing Investor's Service, shareholders holding shares in physical form, to furnish the following documents mandatorily to Company/our Registrar & Share Transfer Agent (RTA) on urgent basis, failing which all such physical folios shall stand frozen with effect from April 1, 2023, by the RTA of the Company. The shareholders with frozen folio shall not be eligible to lodge grievance or avail service request from the RTA and further shall not be eligible for receipt of dividend in physical mode:

- 1) Valid PAN including of all Joint Shareholders duly linked with Aadhaar and KYC details (Form ISR-1)
- 2) Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) (Form ISR-1)

- 3) Address with Pin code, Email id and Mobile Number (Form ISR-1)
- 4) Specimen Signature (Form ISR-2)
- 5) Registration of Nominee (Form No. SH-13) or Declaration for opting-out of Nomination (Form ISR-3)

Soft copy of the above forms are available on the website of the Company as well as website of the Registrar and Share transfer agent of the Company.

Necessary communication through letters have been sent to all the physical shareholders in this regard in the month of February, 2022.

Further all the shareholders who have not dematerialized their shares, are also advised to get their shares converted into Demat/electronic form to get inherent benefits of dematerialization. CERA SANITARYWARE LIMITED ISIN is INE739E01017.

For further queries, you can approach our Registrar and Share Transfer Agent (RTA) at: MCS Share Transfer Agent Limited (Unit: Cera Sanitaryware Limited), 101, 1<sup>st</sup> Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Email- mcsstaahmd@gmail.com, Tel.: +91 79 26580461/62.

#### 10. Distribution of Shareholding as on 31.03.2022

Shares	No. of Shareholders	Total No. of Shares
1 – 500	20,355	8,69,199
501 – 1000	190	1,40,611
1001 – 2000	80	1,19,129
2001 – 3000	29	75,557
3001 – 4000	7	25,038
4001 – 5000	10	45,654
5001 – 10,000	21	1,54,359
10,001 – 50,000	31	7,83,806
50,001 – 1,00,000	5	3,92,482
1,00,001 And above	18	1,04,00,039
<b>Total</b>	<b>20,746</b>	<b>1,30,05,874</b>

#### 11. Shareholding Pattern as on 31.03.2022

Sr. No.	Category	No. of Shares	(%)
1.	Promoters	70,85,139	54.48
2.	Mutual Funds/UTI	12,96,558	9.97
3.	FPIs	25,90,961	19.92
4.	Financial Institutions / Banks / Trusts / IEPF/Insurance Co.	1,02,190	0.79
5.	NRIs	62,764	0.48
6.	Bodies Corporate	3,11,620	2.39
7.	Indian Public	15,56,642	11.97
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

#### 12. Dematerialisation of Shares as on 31.03.2022

As on 31.03.2022, 98.67% of the Company's total shares representing 1,28,32,901 Shares were held indematernalized form and the balance 1.33% representing 1,72,973 shares were in physical form.

The ISIN Number in NSDL and CDSL is "INE739E01017".

13. Secretarial Audit for reconciliation of Capital Pursuant to SEBI (Depositories and Participants) Regulations, 2018, a practicing company secretary has carried out the Secretarial Audit for all the quarters of Financial Year 2021-22. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

14. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments in the Company.

15. The Company has not granted any loans to firms/ Companies in which Directors are interested during the year under review.

#### 16. Credit Rating:

During the year under review the Company has received following credit rating

Facilities	Ratings	Remarks
Long -Term Bank Facilities	CARE AA; Stable [Double A; Outlook: Stable]	Reaffirmed
	CRISIL AA-/ Stable	Reaffirmed
Long -Term/ Short -Term Bank Facilities	CARE AA; Stable/ CARE A1+ [Double A; Outlook: Stable/ A One Plus]	Reaffirmed
Short Term Bank Facilities	CRISIL A1+	Reaffirmed
Commercial Paper (₹ 30 Crores)	CRISIL A1+	Reaffirmed

#### 17. Plant Locations

The Company's plants are located at the following places:

1. Sanitaryware and Faucetware Plants :  
9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat.
2. Wind Farms :
  1. Village & Tal. Kalyanpur, Dist. Devbhumi Dwarka, Gujarat.
  2. Village Kadoli, Tal. Abdasa, Dist. Kutch, Gujarat.
  3. Village Jivapar (Anandpar), Tal. Chotila, Dist. Surendranagar, Gujarat.
  4. Village Mota Gunda, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.
  5. Village Navagam, Tal. Bhanwad, Dist. Devbhumi Dwarka, Gujarat.

#### 18. Address for Correspondence

The Company's Registered Office is situated at 9, GIDC Industrial Estate, Kadi-382715, District Mehsana, Gujarat. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above or Corporate Office at 7th & 8th Floor, B Wing, Privilon, Ambli BRTS Road, ISKCON Crossroads, Ahmedabad - 380059 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201,

Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Contact No. 079-26580461/62, Email: mcsstaahmd@gmail.com

19. The Company has received Certificate from Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have not 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. Certificate forms part of the report.
20. During the F.Y. 2021-22 the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
21. During the year, Total fees of ₹ 18.66 Lakhs have been paid to Statutory Auditors N.M.Nagri & Co. by the Company and subsidiaries (Packcart packaging LLP, Race Polymer Arts LLP).
22. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - a. Number of Complaints filed during the financial year.- Nil
  - b. Number of Complaints disposed of during the financial year.-Nil
  - c. Number of Complaints pending as on end of the financial year.-Nil

#### 14) Other Disclosures

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.
2. Disclosure of Accounting Treatment: These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31st March, 2022 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated, so as to make the figures comparable with the figures of current year.
3. There were no instances of non-compliance, penalty 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.
4. Vigil Mechanism (Whistle Blower Policy):

The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's

website i.e. [www.cera-india.com](http://www.cera-india.com) and no person is denied access to the Audit Committee.

The Company is doing business with honesty and integrity over the years. The system is in place to report unethical conduct in order to promote professionalism, fairness, dignity, and ethical behaviour in its staff and stakeholders.

The said system also safeguards the employees who use the vigil mechanism from being victimized.

5. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has partly adopted non-mandatory requirements. The Company is having unmodified audit opinion and the Internal Auditor reports directly to the audit committee. The Company is complying with applicable Secretarial Standards.
6. The Company has no material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link: <https://www.cera-india.com/corporate/policy-for-determining-material-subsidiary/>
7. Related Party Transactions

All transactions entered into with Related parties as defined under the Companies Act, 2013 and 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 basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. Considering the recent amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Related Party transactions, the board have revised the Related party Transaction policy of the Company and it has been uploaded on the website of the Company i.e. [www.cera-india.com](http://www.cera-india.com).

8. Commodity Risk or Foreign Exchange Risk:  
The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.
9. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2021-22.
10. CEO and CFO certification  
As per Regulation 17(8) and Part - B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Managing Director/ CEO and CFO has been obtained.

Ahmedabad.  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

CERTIFICATE

To,  
The Members,  
**Cera Sanitaryware Limited**  
CIN: L26910GJ1998PLC034400

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of Cera Sanitaryware Limited (the Company) having its registered office situated at 9, G.I.D.C. Industrial Estate, Kadi, Mehsana – 382715, Gujarat which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA [www.mca.gov.in](http://www.mca.gov.in)), we hereby certify that none of the Directors on the Board of the Company as on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

**FOR PARIKH DAVE & ASSOCIATES**

Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020

**Umesh Parikh**  
Practicing Company Secretary  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN: F004152D000294244

Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**Cera Sanitaryware Limited**  
CIN: L26910GJ1998PLC034400

We have examined all relevant records of **CERA SANITARYWARE LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**FOR PARIKH DAVE & ASSOCIATES**  
Company Secretaries  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**  
**Umesh Parikh**  
Practicing Company Secretary  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN: F004152D000294255

Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

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

This is to certify that the Company has laid down Code of Conduct for Board Members and Senior Management of the Company.

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2022.

Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

For **Cera Sanitaryware Limited**  
**Vikram Somany**  
Chairman and Managing Director  
(DIN : 00048827)

## Annexure VII to the Directors' Report

## Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2022.

## Section A [General Information about the Company]:

1	Corporate Identity Number (CIN) of the Company	L26910GJ1998PLC034400
2	Name of the Company	Cera Sanitaryware Limited
3	Address of the Registered Office of the Company	9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.
4	Website	www.cera-india.com
5	Email id	kadi@cera-india.com
6	Financial year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	239 (NIC 2008)
8	Key products/Services	Sanitaryware, Faucetsware, Bathroom accessories & Allied products, Tiles, Generation of Electricity through Green Energy for captive use.
9	Locations where business activity is undertaken by the Company	Sanitaryware and Faucetware plants alongwith Rooftop Solar Plants are located at Kadi Dist. Mehsana Gujarat. Wind farms of the Company are located in five various places in Gujarat, India. The Company's businesses and operations are spread across different geographies across the country.
10	Markets served by the Company – Local/State/National/ International	The Company has a significant presence nationally and globally.

## Section B [Financial Details of the Company]:

1	Paid-up Capital (₹)	650.29 Lakhs
2	Total turnover (₹)	1,43,826.26 Lakhs
3	Total profit after taxes (₹)	14,935.98 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	The Company has spent ₹ 291.03 Lakhs towards CSR expenditure for the F.Y. 2021-22 which is 2.01% of Net Profit as per provisions of Section 135 of the Companies Act, 2013.
5	List of Activities in which expenditure in 4 of above has been incurred	Healthcare, Education, Rural development, Eradicating Hunger, Woman empowerment, Vocational Skill, Disaster Management etc. Annual Report on CSR activities is attached as Annexure IV to the Directors' Report.

## Section C [Other Details]:

- Does the Company have any Subsidiary Company / Companies?  
Yes, the Company has one subsidiary company as on 31<sup>st</sup> March, 2022.
- Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?  
The Company encourages subsidiary to adopt its policies and practices.
- Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?  
It is difficult to establish the extent of support in the company's BR Initiatives.

## Section D [BR Information]:

- Details of Director/Directors responsible for BR:
  - Details of the Director/Directors responsible for implementation of the BR Policy/policies:
    - DIN Number: 09290890
    - Name: Shri Anupam Gupta
    - Designation: Executive Director (Technical)
  - Details of the BR head:
    - DIN Number: 09290890
    - Name: Shri Anupam Gupta
    - Designation: Executive Director (Technical)
    - Telephone: (02764) 243000, 242329
    - Email ID: anupam.gupta@cera-india.com
- Principle-wise (as per NVGs) BR Policy/Policies:**
  - Business should conduct and govern themselves with Ethics, Transparency and Accountability
  - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
  - Businesses should promote the well-being of all employees
  - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
  - Businesses should respect and promote human rights
  - Businesses should respect, protect, and make efforts to restore the environment
  - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
  - Businesses should support inclusive growth and equitable development
  - Businesses should engage with and provide value to their customers and consumers in a responsible manner

## a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics P1	Product life responsibility P2	Employee well being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Community Development P8	Customer Value P9
1	Do you have a policy/policies for?	Y This forms part of the Code of Conduct of the Company which is applicable to Board of Directors and Senior Managerial Personnel	Y The policy is part of the Company's Environment, Health and Safety Policy	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources Department of the Company from time to time	Y The Company does not have a specific policy, this principle forms part of the CSR Policy	Y This policy is for internal circulation to the employees of the Company and some portion is part of the Code of Conduct of the Company	Y The policy relating to the Environmental matters	NA -	Y The Company has a CSR Policy	Y The Company has Policy on Customer care
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/international standards?	The Company is abiding by various Laws while framing the policies. The Company takes into account the best practices and national/international standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	All statutory policies are approved by the Board of Directors, whereas other policies are approved by the Chief Executive Officer/ Executive Director or the respective business/unit head.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies are implemented and being reviewed regularly by the respective business/unit head.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Code of conduct, CSR Policy, Whistler Blower Policy, Dividend Distribution Policy including other policies are available on Company's website, www.cera-india.com								
8	Does the Company have in-house structure to implement the policy/policies?	Yes, Code of conduct, CSR Policy, Whistler Blower Policy, Dividend Distribution Policy including other policies are available on Company's website www.cera-india.com. The other policies are for the internal purpose.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, respective business/unit heads attend to any grievances pertaining to their department and address the grievances. The Company has formed a Stakeholders' Relationship Committee to redress any grievances of shareholders and investors. Product related grievances are also resolved by the respective business heads and customer care department of the Company.								
		The policies are evaluated from time to time and updated whenever required, CSR expenditure is audited by the Company's Statutory Auditors.								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

The Business Responsibility performance of the Company is regularly monitored by the Company and reviewed by the Executive Directors and respective departmental heads.

- b) Does the Company publish BR or sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The BR Report is a part of the Annual Report of the Company, which is uploaded on the Company's website – [www.cera-india.com](http://www.cera-india.com).

### Section E [Principle-wise Performance]:

#### Principle 1: [Business should conduct and govern themselves with Ethics, Transparency and Accountability]

The Board of Directors has approved a Code of Conduct, which is applicable to all Board Members, Key Managerial Personnel and senior management personnel of the Company. This is reviewed and reported annually.

The Company also has a Whistle Blower Policy approved by the Board and is applicable to all employees of the Company, which serves as mechanism for its Directors and Employees to report any genuine concerns or suspected fraud without fear of reprisal and thus ensures the Company to uphold its high standard. The Code of Business Conduct and Whistler blower policy is posted on the Company's website.

The Board of directors have framed, approved and implemented Risk Management policy of the Company including identification and element of risks. Pursuant to amendments in SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy.

The details of shareholders complaints received and resolved during the financial year are given in the Corporate Governance report of this Annual Report.

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 and regulations.

#### Principle 2 : [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.]

Three of the Products of the Company are designed considering environment concerns, risks and opportunities.

- A) Sanitaryware
- B) Faucetsware
- C) Bathroom Accessories & Allied products

The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water, chemicals and waste reduction. The Company ensures fulfilment of all compliance obligations (legal requirements and other requirements) that relate to products and services, environmental aspects and occupational health & safety.

Company's manufacturing units are ISO 9001, 14001 and BS 18001 certified.

The company is committed to environment sustainability. It constantly works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level. The Company has also set up wind farms and rooftop solar plants.

The Company is constantly trying to develop WC and other products which operate with minimum consumption of water. Some of the broad initiatives undertaken by the Company include:

- Installation of a rooftop solar power system (one of the largest in the Kadi region), which has gone a long way in substantially reducing the carbon footprint.
- Cera has managed to stabilize power cost by generating electricity through non-conventional sources (wind and solar) for captive use; as of FY22, its total installed non-conventional energy capacity stood at 10.325 MW, which produced 15.69 mn unit. 70% of its energy needs are met through renewable energy.
- In its initiative to conserve biodiversity, the Company has undertaken plantation of over 10,000 plus trees.



- By successfully developing a fully functional rainwater-harvesting system, Cera has managed to reduce dependence on ground water usage. Further, by recycling water used for the manufacturing process the Company has reduced the water intensity of its operations.
- Under the initiative of 'Waste Minimization and Waste Utilization', the Company has been undertaking numerous measures. Some of these measures include recycling of solid and liquid and ZLD (zero liquid discharge), high energy efficient rated machines, compliance to pollution norms and awareness generation among employees etc. Majority of the waste generated in the company's operations is recycled and the balance is disposed-off safely. The Company has also installed a Effluent Treatment Plant at both of its facilities. Keeping our Eco-friendly tradition, Cera has developed 04 litters flushing system with same effectiveness as 06 litres flushing system.

The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials. This includes sample approvals, performance trials, plant audit and regulatory clearances. Majority procurement of materials is from the approved manufacturers.

The Company procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation. Adequate guidance and counselling are also provided to them about system and procedures for regulated markets.

**Principle 3 : [Businesses should promote the well-being of all employees.]**

1. Please indicate the Total number of employees - 2402
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis - 1366
3. Please indicate the Number of permanent women employees - 70
4. Please indicate the Number of permanent employees with disabilities - 14
5. Do you have an employee association that is recognized by management? Yes
6. What percentage of your permanent employees is members of this recognized employee association? 100%
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 financial year.

S.N.	Category	No. of Complaints filed during the Financial year	No. of Complaints pending as on the end of the financial year.
1	Child Labour/Forced labour/Involuntary Labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?
  - a. Permanent Employees - 100%
  - b. Permanent Women Employees - 100%
  - c. Casual/Temporary/Contractual Employees- Contractual employees are given training - 80%
  - d. Employees with Disabilities - 80%

Company continues to invest in training and development of its employees and has been organizing various training programmes from time to time.

During the COVID pandemic the Company's emphasis was on safety of workforce and traders. The entire factory and office premises were periodically sanitised and all employees were screened at the entrance. All Covid-19 protocols like social distancing, wearing of mask, temperature check, hand sanitisation, etc. were strictly followed in manufacturing units as well as sales offices.

The Company has also provided monetary relief, rehabilitation to the widow's of Covid Victim employees of the Company.

**Principle 4 : [Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized]**

The Company has mapped its key internal and external stakeholders. The Company recognise employees, business associates, joint venture partners, supplier, vendors, shareholders, investors, regulatory authorities and other government bodies as our key stakeholders.

The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.

The Company approach focuses on the development of communities around the vicinity of Company's plant. We have also developed innovative programmes to enhance livelihood of communities through education and skill development through CSR Activities, details of which are given as Annexure II of the Directors report. Your Company constantly imparts training to not only its own sales and service teams, but also to its dealers' and sub-dealers' salesmen.

The Employees are employed as per state government directive from time to time. The company invests in their skill development and upgradation, health check-ups and ensures other quality of life parameters. We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.

**Principle 5 : [Businesses should respect and promote human rights]**

The Company remains committed to respect and protect human rights. The Company's Code of Conduct and the human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The Company never discriminates between its employees. This extends to all areas of business operations and various stakeholder groups.

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is dedicated to creating an atmosphere in which all employees, regardless of caste, creed, religion, or gender, are treated fairly and without fear of prejudice, retribution or harassment.

No stakeholder complaints, relating to human rights, have been received in the past financial year.

**Principle 6 : [Business should respect, protect, and make efforts to restore environment]**

The Company is committed towards conservation of the environment and compliance with the requirements related to Environment, Health and Safety. The Company has been engaging and involving every stakeholder across the Company in creating a unique culture in Environment, Health and Safety.

The Company has launched a project titled "Waste Minimization and Waste Utilization Program" and lots of measures have been taken to arrest wastage in solid, liquid and gaseous forms as well as electricity at different stages of production as a continuous program. Simultaneously, the generated wastes of body and glaze are benefited and used in production on regular basis. Necessary infrastructure has also been created to continue the activities in future.

The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its units continue with their efforts aimed at improving energy efficiency through innovative measures, to reduce wastage and optimise consumption.

The Company always strive towards growth with sustainable development and without caring for nature this is not possible. Company has installed rooftop solar power system which is one of the largest in this region and will reduce carbon footprint to great extent.

As a part of national policy and Green (Green & Solar) initiative, Company has stabilized power cost by generation of electricity through non-conventional sources for captive use.

Initiatives taken by the Company towards technology and energy efficiency are mentioned in Directors' Report and as Annexure III to the Directors' Report.

The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

No show cause / legal notices received from CPCB/SPCB during the Financial Year 2021-22.

**Principle 7 : [Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner]**

The Company is a member of

- a. Gujarat Chamber of Commerce & Industries
- b. Indian Council of Sanitaryware Manufacturers
- c. Indian Green Building Council Promoted by CII
- d. Preferred partner of CREDAI (Confederation of Real Estate Developers Associations of India)
- e. Kadi Industrial Association

From time to time the Company has been raising various issues relating to Ceramic Industries through above mentioned association.

The Company also works closely with influencers and their associations like IIA (Indian Institute of Architects), IID (Institute of Indian Interior Designers) and IPA (Indian Plumbing Association).

The Company's R & D Team/ executives are active participants in meetings with statutory agencies and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

**Principle 8 : [Businesses should support inclusive growth and equitable development]**

The Company has taken various CSR initiatives for support and development of society. The report on the CSR projects carried by the Company is annexed as Annexure II & Annexure IV of the Director's Report.

The Company has always strived to provide better health, education and vocational skills to the people in or around its manufacturing units. The Company extends its social responsibility by engaging its strategic and trust based community development interventions.

The Company continues to invest in training and development of its employee and has been organising various training programmes from time to time.

An amount of ₹ 291.03 Lakhs was spent towards various CSR Activities during the financial year 2021-22 and people in the cities like Kadi, Kundal, Ahmedabad in the state of Gujarat and Kolkata in the state of West Bengal were benefited. The amount spent on various CSR activities is mentioned in the Annual Report as Annexure IV to the Directors' Report.

The internal teams reviews and ensure the implementation of the CSR Activities undertaken.

**Principle 9 [Businesses should engage with and provide value to their customers and consumers in a responsible manner]**

Most of the customer complaints are appropriately addressed and resolved. As on the end of the financial year, there was negligible percentage of unresolved complaints.

Company's after Sales team of technicians, a 24 hour toll free call centre, and timely on site service from the technicians to individual customers, has been one of its key strengths in generating customer loyalty and helping it garner word of mouth publicity. Even during lockdown, CERA Care team members continued to connect to the needy customers and provide online solutions.

There are no cases in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

The Company displays all product information on the product label, which is mandatory and as may be required by law for the use of the products by the consumers.

Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

Ahmedabad.  
10<sup>th</sup> May, 2022

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

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

To,  
The Members,  
**Cera Sanitaryware Limited**  
CIN:L26910GJ1998PLC034400  
9, GIDC Industrial Estate,  
Kadi, Mehsana - 382715

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise 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 March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable to the extent of External Commercial Borrowings as there were no reportable events during the financial year under review;
- 5) 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, 2018 - Not applicable during the year under review;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (upto 12<sup>th</sup> August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August, 2021) - Not applicable during the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 16<sup>th</sup> August, 2021) - Not applicable during the year under review;
- (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 (upto 9<sup>th</sup> June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10<sup>th</sup> June, 2021) - Not applicable during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16<sup>th</sup> August, 2021) - Not applicable during the year under review.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- (i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

**We further report that :**

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

1. Factories Act, 1948;
2. Acts prescribed under prevention and control of pollution;
3. Acts prescribed under Environmental protection.

**We further report that:**

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



Except in case of meetings convened at shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, 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 general laws, rules, regulations and guidelines.

**We further report that:**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

**We further report that:**

During the Audit period under review, there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations.

For Parikh Dave & Associates  
Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020  
Umesh Parikh  
Practicing Company Secretary  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN:F004152D000294191

Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

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

**ANNEXURE - A**

To,  
The Members,  
**Cera Sanitaryware Limited**  
CIN:L26910GJ1998PLC034400

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Dave & Associates  
Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020  
Umesh Parikh  
Practicing Company Secretary  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN:F004152D000294191

Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

## Independent Auditor's Report

To,  
The Members of Cera Sanitaryware Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2022, the profit (financial performance including other 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 ("SAs") specified under section 143(10) of the Act. 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 opinion on standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 as the key audit matters to be communicated in our report.

Sr. No.	Allowance for Expected Credit Losses (ECL) in respect of Trade Receivables and Capital Advances
1.	<p>The Company has made provision for Expected Credit Losses in respect of trade receivables aggregating to ₹ 1,279.88 lakhs and that of capital advances aggregating to ₹ 328.24 lakhs up to 31<sup>st</sup> March, 2022 as against the gross doubtful / litigated amounts in respect of trade receivables of ₹ 2,282.23 lakhs and capital advances of ₹ 468.91 lakhs. These are based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to entities the Company deals with. In calculating expected credit loss, the Company has also considered credit reports and other related 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. The Company has also determined allowance for ECL based on the information available with the Legal department of the Company.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgement in calculating the expected credit losses.</p> <p>Refer Notes No.8,11, 36 and 40 to the standalone financial statements.</p>
	<b>How our audit addressed the Key Audit Matter</b>
	<p>Our Audit procedures related to the allowance for expected credit losses for trade receivables and capital advances included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ul style="list-style-type: none"> <li>➤ development of the methodology and model for the allowance for credit losses, including consideration of the current and estimated future economic conditions;</li> <li>➤ completeness and accuracy of information used in the estimation of probability of default; and</li> <li>➤ computation of the allowance for credit losses.</li> <li>➤ For a few customers, we tested the input data such as credit reports, past history of dealings with them and other credit related information used in estimating the probability of default by comparing them to external and internal source of information.</li> <li>➤ We carried out detailed analysis of balances of trade receivables and capital advances, (i) where no legal actions have been taken so far by the Company and the reasons therefor, (ii) where legal actions have been taken and the allowance for ECL has been partially/ fully made and considered the reasons therefor and (iii) where legal actions have been taken but no allowance for ECL has been made and the reasons therefor.</li> <li>➤ Assessed the adequacy of allowance for ECL recorded and evaluated disclosures in the standalone financial statements in relation to these items.</li> <li>➤ Verified Balance Confirmations directly received by us from few selected trade receivables and also examined reconciliations/ discrepancies, if any.</li> <li>➤ We also reviewed the internal auditor's report for the history and current scenario of a few customers.</li> <li>➤ We carried out analysis of those trade receivables where there is significant increase in credit risk and also reviewed the ageing of the trade receivables pertaining to current and immediately preceding years.</li> </ul>

2.	<b>Assessment of Carrying Value of Investments in Subsidiaries and an Associate</b>
	<p>The Company has made investments in subsidiaries aggregating to ₹ 3,338.33 lakhs and has also made capital contributions aggregating to ₹ 806 lakhs in one associate, and are outstanding as at 31<sup>st</sup> March, 2022 which are subject to impairment assessment. On an annual basis, the management evaluates the existence of impairment indicators, such as accumulated losses, to the carrying values of these investments in its subsidiaries / associate.</p> <p>The Company has entered into various agreements (MOU, SPA and Share Escrow Agreement) with Anjani Vishnu Holding Ltd. (Joint Venture Partner and acquirer company) and Anjani Tiles Ltd. (subsidiary company) for the transfer / divestment of entire stake of the Company in equity and preference shares of ATL for a total consideration of ₹ 2,869.20 lakhs to be completed by 31<sup>st</sup> March, 2023. These arrangements will result into impairment loss of ₹ 573.80 lakhs. A separate detailed Note No.16 explains the entire arrangement including valuation and impairment loss of investments in this subsidiary company.</p> <p>The processes and methodologies for assessing and determining the recoverable amount of these investments, (other than investment in above referred subsidiary company) involve estimates, assumptions and significant management judgment, in particular with reference to forecasts of future cash flows relating to the terminal value, as well as long-term growth rates, discount rates, etc.</p> <p>The testing for impairment in these investments (other than investment in the subsidiary company) has been identified as a key audit matter in view of the significance of the amounts involved and as the determination of recoverable value for impairment assessment involves significant management judgment.</p> <p>Refer Notes No. 3.17(f), 6, 16, 29 and 39 to the standalone financial statements.</p>
	<b>How our audit addressed the Key Audit Matter</b>
	<p>Our audit procedures for assessment of investments included the following :</p> <ul style="list-style-type: none"> <li>➤ Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment of its investments in subsidiaries / associates.</li> <li>➤ Evaluated the Company's process regarding impairment assessment in assessing the appropriateness of the impairment model including an independent assessment of the underlying assumptions relating to discount rate, terminal value etc.</li> <li>➤ Assessed the carrying value of the investment in subsidiaries / associate, (other than investment in the subsidiary company) to determine whether the valuations made by the Company were within an acceptable range and reasonable.</li> <li>➤ Checked the mathematical accuracy of the computations and agreed relevant data back to actual past results and other supporting documents.</li> <li>➤ Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.</li> <li>➤ Discussed with their auditors (wherever applicable) to develop an understanding of the operating performance and outlook used in their own valuation model and to assess consistency with the assumptions used in the model.</li> <li>➤ Evaluated the adequacy of the disclosures made in the standalone financial statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any exceptions in the management's assessment in relation to the carrying value of investments in subsidiaries / associate (other than investment in the subsidiary Company).</p>

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

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

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

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

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

#### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the 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 the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors' 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.

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

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 are required to 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 draw attention to Notes No. 16.1 to 16.5 to the standalone audited financial results which describe the transfer / divestment of entire stake of the Company in Anjani Tiles Limited, a subsidiary of the Company, consisting of Equity and Preference shares as under:

- 16.1 Pursuant to the Resolution passed at the Board Meeting held on 5<sup>th</sup> August, 2021 for consideration of the proposal and in principle approval for divestment of the Company's entire stake in Anjani Tiles Limited, a subsidiary company, a Memorandum of Understanding (MOU) was executed on 17<sup>th</sup> August, 2021 by and amongst Cera Sanitaryware Limited (Cera), Anjani Vishnu Holdings Ltd (AVHL) (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL) (Subsidiary Company) for the transfer / divestment of entire stake in Anjani Tiles Limited, consisting of 1,02,00,000 Equity shares of ₹ 10/- each and 2,42,30,000 1% Cumulative Redeemable Preference shares of ₹ 10/- each on a fully diluted basis, for a total consideration of ₹ 2,869.20 Lakhs.
- 16.2 The Company, AVHL and ATL also entered in to Share Purchase Agreement (SPA) dated 26th August, 2021 pursuant to which the Company agreed to sell all the Equity and Preference Shares held by it in ATL to AVHL.



- 16.3 Total consideration as referred above, will be received by the Company in one or more tranches, beginning from 30<sup>th</sup> September, 2021 and completing on 31<sup>st</sup> March, 2023 through an escrow mechanism and as per the Payment Schedule set out in the MOU. Accordingly, the first tranche of ₹ 643.00 Lakhs has been received on 28<sup>th</sup> September, 2021 from the Acquirer Company and 64,30,000 Preference Shares of ATL have been transferred (off market) to AVHL on 29<sup>th</sup> September, 2021.
- 16.4 Further, pursuant to the MOU and SPA, the Share Escrow Agreement was executed by the Company, AVHL and ATL with Federal Bank Ltd. (Escrow Agent) jointly on 23<sup>rd</sup> November, 2021. Both Cera and AVHL have transferred their respective entire Equity shareholding and their respective balance Preference shareholding to the Escrow Account in January, 2022 with lien marked in favour of the Escrow Agent.
- 16.5 Company's shareholdings in Equity and Preference shares in ATL have been presented as Non-current Assets classified as Held for Sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard - 105 - "Non-current Assets Held for Sale and Discontinued Operations", measured at the lower of its carrying amount and fair value less costs to sell in respect of Equity shares and at fair value in respect of Preference shares as at 31<sup>st</sup> March, 2022. The impairment loss of ₹ 573.80 Lakhs on Equity Shares (Preference shares to be transferred at fair value which is equivalent to carrying amount) due to above arrangements has been recognised in the Statement of Profit and Loss as Exceptional Item.

Our report is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, 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 Statement of Changes in Equity and the Statement of Cash Flows (the standalone financial statements) dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (g) With respect to the matter 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 according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (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 as at 31<sup>st</sup> March, 2022 on its financial position in its standalone financial statements – Refer Note No. 45 to the standalone financial statements.
  - ii. According to the information and explanations provided to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Company's Management and the Board of Directors have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Company's Management and the Board of Directors have represented, that, to the best of their knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. (a) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
- (b) The Board of Directors of the Company have proposed final dividend and special dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act as applicable.

FOR N. M. NAGRI &amp; CO.

Chartered Accountants

Firm Regn. No.106792W

N. M. NAGRI

PROPRIETOR

Membership No. 016992

UDIN: 22016992AIRMO6700

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2022)

Based on the audit procedures performed by us for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations provided to us by the Company and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (1) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular program of physical verification of its property, plant and equipment by which the property, plant and equipment are verified in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.
  - (c) The title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements under the head "Property Plant and Equipment", are held in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (2) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stock and the book records were less than 10% in the aggregate for each class of inventory as stated in the financial statements. Such discrepancies have been properly dealt with in the books of account.
- (b) During the year the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from State Bank of India on the basis of security of current assets. The quarterly returns / statements filed by the Company with Sate Bank of India are in agreement with the books of account of the Company.
- (3) (a) During the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clauses 3(iii)(a), (c), (d), (e) and (f) of the Order are not applicable for the year under report.
- (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- (4) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the investments made. The Company has not given any loans, provided any guarantee or security during the year.

- (5) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act, or any other relevant provisions of the Act and the rules framed thereunder. Hence reporting under clause 3(v) of the Order is not applicable.
- (6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- (7) (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and any other statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) The Statutory dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and GST (as applicable) which have not been deposited as at 31<sup>st</sup> March, 2022 on account of any dispute, are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates (F.Y.)	Forum where dispute is Pending
1	Income Tax Act, 1961	Income Tax	29.38	2017-18	CIT-Appeals
2	Income Tax Act, 1961	Income Tax	690.65	2016-17	CIT-Appeals
3	Income Tax Act, 1961	Income Tax	680.38	2015-16	CIT-Appeals
4	Central Excise Act, 1944	Central Excise	2.77	1991-92	Supreme Court
5	Central GST and Central Excise Act, 1944	Service Tax	75.31	2014-15, 2015-16 and 2016-17	Tribunal Appeal in the process of being filed
6	Punjab Value Added Tax Act 2005, (VAT) Chandigarh	Central Sales Tax and Value Added Tax	10.24	2010-11	The Deputy Excise and Taxation Commissioner (Appeal) Chandigarh
7	Central Sales tax Act 1956, Delhi	Central Sales tax	23.05	2016-17	Department of Trade and Taxes, Delhi (Appeal)

- (8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (9) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable for the year under report.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable for the year under report.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associate or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable for the year under report.
- (10) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company for the year under report.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence, reporting under clause 3(x)(b) of the Order is not applicable for the year under report.
- (11) (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints were received by the Company during the year.
- (12) The Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) (a), (b) and (c) of the Order are not applicable.
- (13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, in respect of all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.
- (15) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them, covered under section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company for the year under report.

- (16) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (17) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (18) There has been no resignation of the statutory auditors of the Company during the year.
- (19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (20) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In our opinion, there are no ongoing projects towards Corporate Social Responsibility (CSR) requiring a transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- (21) Our reporting on the matters specified in paragraphs 3(xxi) and 4 read with the proviso to paragraph (2) of the Companies (Auditor's Report) Order, 2020, has been made in paragraph (2) of Other Legal and Regulatory Requirements section of our Auditor's Report on the consolidated audited financial statements.

FOR N. M. NAGRI &amp; CO.

Chartered Accountants

Firm Regn. No.106792W

N. M. NAGRI

PROPRIETOR

Membership No. 016992

UDIN: 22016992AIRMO6700

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2022)

**Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**Opinion**

In conjunction with our audit of the standalone financial statements of **CERA SANITARYWARE LIMITED** ('the Company'), as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls with reference to the standalone financial statements of the Company as of that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. 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 with reference to the standalone financial statements were 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements**

A Company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the standalone financial statements includes those policies and procedures that:

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

#### **Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**FOR N. M. NAGRI & CO.**

Chartered Accountants

Firm Regn. No.106792W

**N. M. NAGRI**

PROPRIETOR

Membership No. 016992

**UDIN: 22016992AIRRMO6700**

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022

Standalone Balance Sheet as at 31<sup>st</sup> March, 2022

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	4	30,488.90	31,612.37
(b) Capital work-in-progress	4	58.24	59.97
(c) Right-of-use assets	45(a)	1,519.36	1,290.34
(d) Other Intangible Assets	5	46.35	75.51
(e) Intangible Assets under development	5	-	-
(f) Financial Assets			
(i) Investments			
- Investments in Subsidiaries & Associates	6 & 16	1,344.33	4,709.27
- Other Investments	6	2,675.41	3,199.73
(ii) Other Financial Assets	7	1,133.00	1,330.91
(g) Other Non-current Assets	8	494.73	609.33
<b>(2) Current Assets</b>			
(a) Inventories	9	28,771.28	16,968.37
(b) Financial Assets			
(i) Investments	10	52,715.60	43,404.61
(ii) Trade Receivables	11	16,408.24	20,671.36
(iii) Cash and Cash Equivalents	12	1,378.19	710.07
(iv) Other Balances with Banks	13	104.43	273.70
(v) Other Financial Assets	14	377.38	445.24
(c) Other Current Assets	15	3,007.78	2,945.67
<b>(3) Non-current Assets classified as held for Sale</b>	16	2,226.20	-
<b>Total Assets</b>		<b>1,42,749.42</b>	<b>1,28,306.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	650.29	650.29
(b) Other Equity	18	99,924.28	86,789.63
<b>Total Equity</b>		<b>1,00,574.57</b>	<b>87,439.92</b>
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	45(a)	1,151.99	1,022.16
(ii) Other Financial Liabilities	19	2,702.94	2,749.94
(b) Provisions	20	890.26	1,009.24
(c) Deferred Tax Liabilities (Net)	21	3,421.06	3,265.98
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	1,920.15	1,242.99
(ii) Lease Liabilities	45(a)	627.78	517.17
(iii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	23	3,678.74	3,352.03
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	10,088.96	10,932.53
(iv) Other Financial Liabilities	24	13,852.73	13,789.63
(b) Other Current Liabilities	25	2,979.79	2,392.21
(c) Provisions	26	238.04	238.74
(d) Current Tax Liabilities (Net)	27	622.41	353.91
<b>Total Equity and Liabilities</b>		<b>1,42,749.42</b>	<b>1,28,306.45</b>

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants

(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022**Rajesh B. Shah**

CFO &amp; COO

(Fin. &amp; Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

(DIN:00048827) Chairman and Managing Director

**Deepshikha Khaitan**

(DIN:03365068) Joint Managing Director

**Anupam Gupta**

(DIN:09290890) Executive Director (Technical)

**Ayush Bagla**

(DIN:01211591) Executive Director

**Sajan Kumar Pasari**

(DIN:00370738) Director

**Lalit Kumar Bohania**

(DIN:00235869) Director

**Akriti Jain**

(DIN:08259413) Director

**CERA** **Cera Sanitaryware Limited**

**Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

(₹ in lakhs except for per equity share data)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue from Operations</b>	28	<b>1,44,175.57</b>	1,20,170.67
<b>Other Income</b>	29	<b>2,278.05</b>	2,178.92
<b>Total Income</b>		<b>1,46,453.62</b>	1,22,349.59
<b>EXPENSES</b>			
Cost of Materials Consumed	30	17,641.17	8,530.83
Purchases of Stock-in-Trade	31	60,730.96	52,797.09
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	32	(10,271.85)	3,402.44
Employee Benefits Expense	33	19,074.95	14,433.20
Finance Costs	34	458.71	426.77
Depreciation and Amortization Expense	35	3,043.00	3,323.04
Other Expenses	36	34,875.63	26,011.74
<b>Total Expenses</b>		<b>1,25,552.57</b>	1,08,925.11
<b>Profit before exceptional items and tax</b>		<b>20,901.05</b>	13,424.48
Exceptional Items	16	(573.80)	-
<b>Profit before tax</b>		<b>20,327.25</b>	13,424.48
<b>Tax Expense :</b>			
(1) Current Tax	37	5,197.72	3,279.05
(2) Deferred Tax		193.55	15.10
<b>Total Tax Expense</b>		<b>5,391.27</b>	3,294.15
<b>Profit for the year</b>		<b>14,935.98</b>	10,130.33
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss Remeasurements of Defined Benefit plan		(147.76)	27.31
(ii) Income tax relating to items that will not be reclassified to profit or loss		37.19	(6.87)
Total Other Comprehensive Income for the year (Net of Tax)		(110.57)	20.44
<b>Total Comprehensive Income for the year</b>		<b>14,825.41</b>	10,150.77
<b>Earnings per equity share of face value of ₹ 5/- each</b>			
(1) Basic	38	114.84	77.89
(2) Diluted	38	114.84	77.89
Weighted average number of equity shares		1,30,05,874	1,30,05,874

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Anupam Gupta** (DIN:09290890) Executive Director (Technical)  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director

Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(₹ in lakhs)

Particulars	Balance as at 1 <sup>st</sup> April, 2021	Changes in equity share capital due to prior period items	Restated balance as at 1 <sup>st</sup> April, 2021	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2022
<b>A. EQUITY SHARE CAPITAL</b>					
Equity Share Capital	650.29	-	650.29	-	650.29

Particulars	Balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital due to prior period items	Restated balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2021
Equity Share Capital	650.29	-	650.29	-	650.29

Particulars	Reserves and Surplus			Other Comprehensive Income Actuarial Gain / (Loss)	Total
	Securities Premium	General Reserve	Retained Earnings		

<b>B. OTHER EQUITY</b>					
Balance as at 1 <sup>st</sup> April, 2021	8,095.94	49,000.47	30,130.34	(437.12)	86,789.63
Transferred from Statement of Profit and Loss	-	3,439.58	(3,439.58)	-	-
Dividend on Equity Shares	-	-	(1,690.76)	-	(1,690.76)
Tax on Dividend	-	-	-	-	-
Remeasurement of Defined Benefit Plan	-	-	-	(147.76)	(147.76)
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	37.19	37.19
Profit for the year	-	-	14,935.98	-	14,935.98
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>8,095.94</b>	<b>52,440.05</b>	<b>39,935.98</b>	<b>(547.69)</b>	<b>99,924.28</b>
Balance as at 1 <sup>st</sup> April, 2020	8,095.94	43,540.01	25,460.47	(457.56)	76,638.86
Transferred from Statement of Profit and Loss	-	5,460.46	(5,460.46)	-	-
Remeasurement of Defined Benefit Plan	-	-	-	27.31	27.31
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	(6.87)	(6.87)
Profit for the year	-	-	10,130.33	-	10,130.33
Balance as at 31 <sup>st</sup> March, 2021	8,095.94	49,000.47	30,130.34	(437.12)	86,789.63

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

<b>Vikram Somany</b>	(DIN:00048827)	Chairman and Managing Director
<b>Deepshikha Khaitan</b>	(DIN:03365068)	Joint Managing Director
<b>Anupam Gupta</b>	(DIN:09290890)	Executive Director (Technical)
<b>Ayush Bagla</b>	(DIN:01211591)	Executive Director
<b>Sajan Kumar Pasari</b>	(DIN:00370738)	Director
<b>Lalit Kumar Bohania</b>	(DIN:00235869)	Director
<b>Akriti Jain</b>	(DIN:08259413)	Director

Standalone Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹
<b>A. Cash flows from Operating activities</b>				
Net Profit before tax		20,327.25		13,424.48
Adjustments for :				
Depreciation & Amortization	3,043.00		3,323.04	
Allowance for expected credit loss - Trade Receivables	391.96		336.07	
Allowance for expected credit loss - Capital Advance	117.23		117.23	
Impairment Loss on Investment / Business Loss in Associate Entities	573.80		32.60	
Amortization of Prepaid Rentals	14.14		13.35	
Bad Debts	-		16.00	
Finance Cost (Other than Loss on Foreign Exchange Fluctuations)	458.71		421.58	
Interest on Security Deposit (Non Cash)	(15.27)		(12.60)	
Other Interest Received	(309.02)		(291.91)	
Foreign Exchange Fluctuations (Income) / Loss (Net)	6.20		7.22	
Profit on Sale of Investments	(93.01)		(63.99)	
Net Gain on Fair Valuation of Investments in Mutual Funds	(1,731.68)		(1,648.46)	
Liabilities & provisions no longer required, written back	(48.10)		(111.97)	
Loss / (Gain) on Foreign Currency Translation (Net)	-		5.19	
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	21.92		(30.02)	
Share of Profit on Investment in LLP	(20.40)		(5.10)	
Loss / (Gain) on Termination of Lease	(30.83)	2,378.65	3.34	2,111.57
<b>Operating profit before working capital changes</b>		<b>22,705.90</b>		<b>15,536.05</b>
Adjustments for changes in working capital				
(Increase)/Decrease in Inventories	(11,802.91)		3,480.86	
(Increase)/Decrease in Trade Receivables	3,871.15		1,067.86	
(Increase)/Decrease in Other Financial Assets	126.10		(34.94)	
(Increase)/Decrease in Other Assets	(52.63)		3,183.28	
Increase/(Decrease) in Trade Payable	(516.86)		5,886.54	
Increase/(Decrease) in Other Financial Liabilities	64.20		(592.33)	
Increase/(Decrease) in Provisions	(267.44)		(53.42)	
Increase/(Decrease) in Other Liabilities	587.57	(7,990.82)	684.92	13,622.77
<b>Cash generated from operations</b>		<b>14,715.08</b>		<b>29,158.82</b>
Income Taxes paid		(4,930.47)		(2,961.35)
<b>Net cash generated by Operating activities (Total-A)</b>		<b>9,784.61</b>		<b>26,197.47</b>
<b>B. Cash flow from Investing activities</b>				
Payments for Property, Plant and Equipments, Capital Work-in-progress & Capital Advances	(1,410.82)		(954.66)	
Payments for Computer Software	(20.45)		(24.14)	
Proceeds from sale of Property, Plant and Equipments & Intangible Assets	163.11		57.58	
Payments for purchase of Debentures	-		(1,221.57)	
Proceeds from redemption of Debentures	-		1,371.24	
Proceeds / (Payments) from Fixed Deposit	320.47		(253.07)	
Payments for purchase of Mutual Funds	(26,285.88)		(39,882.19)	
Proceeds from sale of Mutual Funds	18,799.58		17,138.68	
Payments for purchase of Bonds	-		(307.22)	
Proceeds from redemption of Bonds	514.03		20.96	
Proceeds from Divestment in Subsidiary	643.00		-	
Payments for Investments in Subsidiaries & Associates	(78.06)		(510.00)	
Share of Profit on Investment in LLP	20.40		5.10	
Interest Received	319.30		291.91	
<b>Net cash used in Investing activities (Total-B)</b>		<b>(7,015.32)</b>		<b>(24,267.38)</b>



(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	₹	₹	₹	₹
<b>C. Cash flow from Financing activities</b>				
Payment of Lease Liabilities	(822.63)		(729.77)	
Proceed / Repayment of Short Term Borrowings (Working Capital)	677.16		(273.34)	
Dividend on Equity Shares paid	(1,690.76)		-	
Finance Cost (Other than Non Cash)	(264.94)		(250.79)	
<b>Net cash used in Financing activities (Total-C)</b>		<b>(2,101.17)</b>		<b>(1,253.90)</b>
<b>Net increase in Cash &amp; cash equivalents (A+B+C)</b>		<b>668.12</b>		<b>676.19</b>
<b>Cash &amp; cash equivalent - Opening Balance</b>		<b>710.07</b>		<b>33.88</b>
<b>Cash &amp; cash equivalent - Closing Balance</b>		<b>1,378.19</b>		<b>710.07</b>

**Notes to Cash Flow Statement**

1. Components of cash & cash equivalents		
Balances with banks	172.17	700.20
Cash on Hand	5.95	9.87
Bank FDs with original maturity of less than 3 months	1,200.07	-
<b>Cash &amp; cash equivalents considered in Cash Flow Statement</b>	<b>1,378.19</b>	<b>710.07</b>

2. The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

3. Reconciliation of Liabilities arising from Financing activities

Particulars	Outstanding as at 1 <sup>st</sup> April, 2021	Cash Flows	Non-Cash Changes	Outstanding as at 31 <sup>st</sup> March, 2022
Short Term Borrowings	1,242.99	677.16	-	1,920.15
Lease Liabilities	1,539.33	(822.63)	1,063.07	1,779.77
<b>Total Liabilities from Financing activities</b>	<b>2,782.32</b>	<b>(145.47)</b>	<b>1,063.07</b>	<b>3,699.92</b>

**Significant Accounting Policies****Note 3.7**

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113

**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
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**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director

## Significant Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### 1. Corporate Information

Cera Sanitaryware Limited (the "Company") is a public limited company domiciled in India having its registered office situated at 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat, India. The Company was incorporated on 17<sup>th</sup> July, 1998, under the provisions of the Companies Act, 1956 applicable in India and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is engaged in the business of manufacturing, selling and trading of building products and is having non-conventional wind & solar power for captive use in the State of Gujarat.

### 2. Basis of Preparation

#### 2.1 Statement of Compliance with Ind AS.

The Standalone Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the subsequent amendments from time to time, notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These Standalone Financial Statements of the Company as at and for the year ended 31<sup>st</sup> March, 2022 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 10<sup>th</sup> May, 2022.

#### 2.2 Functional and Presentation Currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also a functional currency. All the values have been rounded off to the nearest lakh, unless otherwise indicated.

#### 2.3 Basis of Measurement

These Standalone Financial Statements have been prepared on a historical cost convention except certain financial assets and liabilities which are measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities (including Derivative Instruments)	Fair Value
Non-current Assets classified as held for sale	Lower of carrying amount and fair value less costs to sell

### 3. Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### (a) Tangible Assets

##### [i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 "Revenue from Contracts with Customers".

##### [ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### [iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

##### [iv] Research and Development Cost

Research and Development Costs that are in the nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

**[v] Depreciation/Amortization**

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on external / internal technical evaluation as under:

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Other Buildings on leased premises	10 years

The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Company's Plant and Equipments are considered on the basis of continuous process plant.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (upto) the date on which asset is ready for use (disposed of).

**(b) Capital work-in-progress**

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

**(c) Intangible Assets****[i] Initial Recognition and Classification**

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**[ii] Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

**[iii] Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the written down value method and is included in Depreciation and Amortisation expense in the Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**[iv] Derecognition**

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

**[v] Intangible Assets under Development**

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development".

**(d) Impairment of Non Financial Assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.2 Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

**3.3 Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3.4 Current versus Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset / liability is treated as current when it is:-

- \* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
- \* Held primarily for the purpose of trading.
- \* Expected to be realised / settled within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**3.5 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

**3.6 Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**3.7 Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items 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.

**3.8 Provisions, Contingent Liabilities and Contingent Assets**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- \* a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- \* a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

**3.9 Earnings Per Share**

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company 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.

**3.10 Foreign Currency Transactions and Translations****Initial Recognition**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

In case of advance receipts/payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

**Measurement at the Balance Sheet Date**

Foreign Currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**Treatment of exchange difference**

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

**3.11 Revenue from Contracts with Customers**

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Further, the Company evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

**Sale of Goods**

Most of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

The Company provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Retrospective volume rebates give rise to variable consideration. To estimate the variable consideration, the Company considers that the most likely amount method better predicts the amount of variable consideration.

The Company provides for warranties for general repairs and replacement which will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

**Rendering of Services**

The Company is rendering after sales services for its sold products. The after sales services is rendered against independent contracts with customers or against assurance type warranty for goods sold. Revenue from sale of services is recognised at an amount entitled in exchange for transferring services at a point in time to a customer.

**Interest and Dividends and Other Income**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the unconditional right to receive payment is established. Other income is recognised on accrual basis except where the receipt of income is uncertain.

**3.12 Exceptional Items**

An item of income or expense which by its size, nature, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

**3.13 Leases**

The Company's lease asset classes primarily consist of leases for land and buildings. 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 1st April, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

**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 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. 43, 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 recognised 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 recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **3.14 Employee Benefits**

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### **Defined Contribution Plans**

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

#### **Defined Benefit Plans**

The Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

#### **Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### **Long-term Employee Benefits**

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

### **3.15 Taxes on Income**

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

#### **(a) Current Tax**

Current income tax assets and / or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or

loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(b) **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.16 Equity, Reserves and Dividend Payments**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution (including interim dividend) to equity shareholders is accounted for in the year of actual distribution.

**3.17 Significant Judgments, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

**Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

**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. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) **Impairment of Non-financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

(b) **Estimation of Defined Benefit Obligations**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) **Estimation of Current Tax and Deferred Tax**

Management judgment is required for the calculation of provision for income – taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

(e) **Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) **Impairment of Investments in Subsidiaries, Joint Ventures and Associates**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the estimated recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### 3.18 Fair Value Measurement

The Company measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- \* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- \* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- \* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.19 Financial Instruments

#### I. Financial Assets

##### (a) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

##### (b) Subsequent Measurement

###### [i] Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

###### [ii] Financial assets at fair value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

**(iii) Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

**(c) Impairment of Financial Assets**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(d) Derecognition of Financial Assets**

A financial asset is derecognised when:

- \* The Company has transferred the right to receive cash flows from the financial assets or
- \* Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognise the financial asset.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**II. Financial Liabilities****Initial Recognition and Subsequent Measurement**

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**III. Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**IV. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**V. Investment in Subsidiaries, Joint Ventures and Associates**

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less impairment loss, if any.

**3.20 Non-current Assets classified as held for Sale**

Non-current assets (or disposal group) are classified as held for sale if the carrying amount of assets will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets (or disposal group) are classified as held for sale, when the asset (or disposal group) is available for immediate sale in its present condition and its sale must be highly probable. For the sale to be highly probable, the management must be committed to a plan to sell the asset (or disposal group) and an active programme to locate buyer and complete plan must have been initiated. In addition, the sale should be completed within 1 year from the date of classification.

Upon classification, non-current assets (or disposal group) held for sale are measured at the lower of carrying amount and fair value less costs to sell.

**3.21 Recent Pronouncements**

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

**I. Ind AS 103 – Reference to Conceptual Framework**

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

**II. Ind AS 16 – Proceeds before intended use**

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

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

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

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

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

**V. Code on Social Security**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Notes to Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

## Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

## (a) Property, Plant and Equipment

(₹ in lakhs)

Sr. No.	Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
<b>1</b>	<b>Cost of Assets</b>								
	As at 1 <sup>st</sup> April, 2020	961.04	16,447.11	26,374.07	2,621.45	1,175.72	697.92	1,032.33	49,309.64
	Addition / Transfers	350.27	79.76	307.79	123.65	65.00	29.03	29.34	984.84
	Disposal / Adjustments	-	-	(0.02)	(12.35)	(47.59)	(4.11)	(63.65)	(127.72)
	As at 31 <sup>st</sup> March, 2021	1,311.31	16,526.87	26,681.84	2,732.75	1,193.13	722.84	998.02	50,166.76
	Addition / Transfers	-	295.58	601.64	158.31	178.13	37.54	112.64	<b>1,383.84</b>
	Disposal / Adjustments	-	(84.69)	(17.60)	(94.97)	(95.67)	(52.10)	(188.61)	<b>(533.64)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,311.31</b>	<b>16,737.76</b>	<b>27,265.88</b>	<b>2,796.09</b>	<b>1,275.59</b>	<b>708.28</b>	<b>922.05</b>	<b>51,016.96</b>
<b>2</b>	<b>Depreciation / Amortization</b>								
	As at 1 <sup>st</sup> April, 2020	-	4,985.82	7,566.94	1,322.05	987.39	496.89	672.20	16,031.29
	Charge for the year	-	832.99	1,010.41	473.39	101.89	90.16	114.42	2,623.26
	Disposal / Adjustments	-	-	(0.02)	(7.38)	(42.94)	(2.08)	(47.74)	(100.16)
	As at 31 <sup>st</sup> March, 2021	-	5,818.81	8,577.33	1,788.06	1,046.34	584.97	738.88	18,554.39
	Charge for the year	-	751.40	1,023.69	307.94	102.44	56.57	87.50	<b>2,329.54</b>
	Disposal / Adjustments	-	(33.96)	(1.24)	(46.41)	(85.08)	(40.97)	(148.21)	<b>(355.87)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>6,536.25</b>	<b>9,599.78</b>	<b>2,049.59</b>	<b>1,063.70</b>	<b>600.57</b>	<b>678.17</b>	<b>20,528.06</b>
<b>3</b>	<b>Net Block</b>								
	As at 31 <sup>st</sup> March, 2021	1,311.31	10,708.06	18,104.51	944.69	146.79	137.87	259.14	31,612.37
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,311.31</b>	<b>10,201.51</b>	<b>17,666.10</b>	<b>746.50</b>	<b>211.89</b>	<b>107.71</b>	<b>243.88</b>	<b>30,488.90</b>
<b>(b) Capital work-in-progress</b>									
	As at 1 <sup>st</sup> April, 2020	-	3.51	49.43	-	-	-	-	52.94
	Addition	-	53.70	37.88	-	-	-	-	91.58
	Transfers / Adjustments	-	(10.16)	(74.39)	-	-	-	-	(84.55)
	As at 31 <sup>st</sup> March, 2021	-	47.05	12.92	-	-	-	-	59.97
	Addition	-	31.17	27.07	-	-	-	-	<b>58.24</b>
	Transfers / Adjustments	-	(47.05)	(12.92)	-	-	-	-	<b>(59.97)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>31.17</b>	<b>27.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58.24</b>
<b>(c) Capital work-in-progress ageing schedule</b>									
<b>Projects in progress</b>		<b>Amount in CWIP for a period of</b>							
			<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>			
	As at 31 <sup>st</sup> March, 2021		59.97	-	-	-			59.97
	<b>As at 31<sup>st</sup> March, 2022</b>		<b>58.24</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>58.24</b>

All the projects are executed as per rolling annual plan.

## Notes:

- Previous period's figures have been re-grouped / re-classified wherever required to current year's classification.
- Items of Property, Plant & Equipment situated at 9, GIDC Industrial Estate & Residential Colony - Kadi (Survey No. 417/2 & 420/1, 2) are mortgaged (EM) / hypothecated and fixed assets at Kadoli and Kalyanpur Windmills are hypothecated with State Bank of India against working capital facilities availed. (Refer Note No. 22.1)
- Cost of Buildings includes ownership offices in co-operative societies for ₹ 2,179.55 lakhs (Previous year ₹ 2,179.55 lakhs) including 40 shares of ₹ 50/- each and 10 shares of ₹ 50/- each in respective Co-operative societies.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ₹ 170.82 lakhs as on 31<sup>st</sup> March, 2022 & ₹ 94.37 lakhs as on 31<sup>st</sup> March, 2021. [Refer Note No. 45(b)]

## Note-5. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Sr. No.	Particulars	Computer Softwares
<b>1</b>	<b>Cost of Assets</b>	
	As at 1 <sup>st</sup> April, 2020	618.38
	Addition / Transfers	24.14
	Disposal / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	642.52
	Addition / Transfers	20.45
	Disposal / Adjustments	(145.64)
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>517.33</b>
<b>2</b>	<b>Amortization</b>	
	As at 1 <sup>st</sup> April, 2020	499.84
	Charge for the year	67.17
	Disposal / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	567.01
	Charge for the year	42.35
	Disposal / Adjustments	(138.38)
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>470.98</b>
<b>3</b>	<b>Net Block</b>	
	As at 31 <sup>st</sup> March, 2021	75.51
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>46.35</b>
	<b>Intangible Assets under development</b>	
	As at 1 <sup>st</sup> April, 2020	-
	Addition	-
	Transfers / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	-
	Addition	-
	Transfers / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 6. INVESTMENTS - NON-CURRENT</b>			
	<b>Non-Current Investments</b>		
	<b>Trade Investments (valued at cost, net of impairment loss)</b>		
	<b>Investments in Subsidiaries &amp; Associates</b>		
<b>A</b>	<b>Investments in Equity Instruments</b>		
<b>1</b>	<b>Investment in Subsidiary Company (Unquoted)</b>		
	<b>Opening Balance</b>		
	1,02,00,000 Equity Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up	<b>1,020.00</b>	1,020.00
	(1,02,00,000 Equity Shares of ₹ 10/- each fully paid up as at 31 <sup>st</sup> March, 2021)		
	Less: Transferred to Non-current Assets classified as held for sale (Refer Note No. 16)	<b>(1,020.00)</b>	-
	<b>Closing Balance</b>	-	1,020.00
<b>2</b>	<b>Investments in Associate (Unquoted)</b>		
	Nil Equity Shares of Cera Sanitaryware Trading LLC-Dubai	-	32.10
	(175 Shares of AED 1000/- each fully paid up as at 31 <sup>st</sup> March, 2021)		
	Less: Impairment Loss (Refer Note No. 6.2)	-	(32.10)
		-	-
	<b>Total (A)</b>	-	1,020.00
<b>B</b>	<b>Investments in Preference Shares</b>		
	<b>Investment in Subsidiary Company (Unquoted)</b>		
	<b>Opening Balance</b>		
	2,42,30,000 1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up	<b>2,423.00</b>	2,423.00
	(2,42,30,000 1% Cumulative Redeemable Preference Shares of ₹ 10/- each as at 31 <sup>st</sup> March, 2021)		
	Less: Transferred during the year	<b>(643.00)</b>	-
	Less: Transferred to Non-current Assets classified as held for sale (Refer Note No. 16)	<b>(1,780.00)</b>	-
	<b>Closing Balance</b>	-	2,423.00
	<b>Total (B)</b>	-	2,423.00
<b>C</b>	<b>Investments in Limited Liability Partnership (Unquoted)</b>		
	(a) Packcart Packaging LLP (Subsidiary)	<b>90.78</b>	90.78
	(b) Race Polymer Arts LLP (Subsidiary)	<b>447.55</b>	369.49
	(c) Milo Tile LLP (Associate entity)	<b>806.00</b>	806.00
	<b>Total (C)</b>	<b>1,344.33</b>	1,266.27
	<b>Total Trade Investments in Subsidiaries &amp; Associates (A + B + C)</b>	<b>1,344.33</b>	4,709.27
	<b>Non Trade Investments</b>		
<b>D</b>	<b>Investments in Debentures (at amortised cost) (Unquoted)</b>		
	(a) State Bank of India Series1 9.56% - NCD Perpetual	<b>101.40</b>	102.43
	10 Units of face value of ₹ 10,00,000 per unit		
	(10 Units of face value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)		
	(b) State Bank of India Series1 7.74% - NCD Perpetual	<b>501.00</b>	501.25
	50 Units of face value of ₹ 10,00,000 per unit		
	(50 Units of face value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)		
	(c) Mahindra & Mahindra Financial Services Ltd SR AG2020 BR NCD 06JU22	<b>223.92</b>	211.32
	20 Units of face Value of ₹ 10,00,000 per unit		
	(20 Units of face Value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)		
	(d) State Bank of India Series1 7.73% - NCD Perpetual	<b>507.24</b>	509.00
	50 Units of face value of ₹ 10,00,000 per unit		
	(50 Units of face value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)		
	<b>Total (D)</b>	<b>1,333.56</b>	1,324.00

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>E</b>	<b>Investments in Bonds (at amortised cost) (Unquoted)</b>		
(a)	Rural Electrification Corporation Limited SR-2 8.12 / 8.32 (Tax free) 28,000 Bonds of face value of ₹ 1,000 per Bond (28,000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	312.08	317.68
(b)	Indian Railway Finance Corporation Limited 7.18 / 7.68 (Tax free) 30,000 Bonds of face value of ₹ 1,000 per Bond (30,000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	305.18	309.02
(c)	Indian Railway Finance Corporation Limited SR-79 A 7.77 (Tax free) 385 Bonds of face value of ₹ 1,00,000 per Bond (385 Bonds of face value of ₹ 1,00,000 per Bond as at 31 <sup>st</sup> March, 2021)	420.61	427.65
(d)	HDFC Bank Limited SR-1 8.85 BD Perpetual 30 Bonds of face value of ₹ 10,00,000 per Bond (30 Bonds of face value of ₹ 10,00,000 per Bond as at 31 <sup>st</sup> March, 2021)	303.85	307.22
(e)	Indian Railway Finance Corporation Limited 8 / 8.15 (Tax free) Nil Bond (50000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	-	514.03
	<b>Total (E)</b>	<b>1,341.72</b>	<b>1,875.60</b>
<b>F</b>	<b>Investments in Government Securities (at cost) (Unquoted)</b>		
	National Savings Certificates (Deposited with Government Department)	0.13	0.13
	<b>Total (F)</b>	<b>0.13</b>	<b>0.13</b>
	<b>Total Non-Trade Investments (D + E + F)</b>	<b>2,675.41</b>	<b>3,199.73</b>
	<b>Aggregate amount of Unquoted Investments (A + B + C + D + E + F)</b>	<b>4,019.74</b>	<b>7,909.00</b>
	<b>Aggregate amount of Impairment in value of Investments</b>	<b>-</b>	<b>32.10</b>

## Notes :

Sr. No.	Name of Partners	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
		Capital (₹ in lakhs)	Share percentage	Capital (₹ in lakhs)	Share percentage
6.1(A)	<b>Investment in Packcart Packaging LLP (subsidiary), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	90.78	51%	90.78	51%
2	Smt. Kinjal Bhatt	87.22	49%	87.22	49%
	<b>Total</b>	<b>178.00</b>	<b>100%</b>	<b>178.00</b>	<b>100%</b>
6.1(B)	<b>Investment in Race Polymer Arts LLP (subsidiary), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	447.55	51%	369.49	51%
2	Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP)	430.00	49%	355.00	49%
	<b>Total</b>	<b>877.55</b>	<b>100%</b>	<b>724.49</b>	<b>100%</b>
6.1(C)	<b>Investment in Milo Tile LLP (associate entity), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	806.00	26%	806.00	26%
2	Shri Rameshbhai Vashrambhai Bhalodia	100.00	28%	100.00	28%
3	Smt. Ansoyaben Rameshbhai Bhalodia	80.00	12%	80.00	12%
4	Shri Milanbhai Rameshbhai Bhalodia	80.00	12%	80.00	12%
5	Shri Kevin Rameshbhai Bhalodia	70.00	12%	70.00	12%
6	Smt. Jalpaben Milanbhai Bhalodia	35.00	5%	35.00	5%
7	Smt. Sweta Kevin Bhalodia	35.00	5%	35.00	5%
	<b>Total</b>	<b>1,206.00</b>	<b>100%</b>	<b>1,206.00</b>	<b>100%</b>

6.2 Business operations of Cera Sanitaryware Trading LLC-Dubai (Associate) have been closed / terminated w.e.f. 12<sup>th</sup> October, 2020 due to continuing unviable business operations. The LLC closure process is in progress by the appropriate Authority at Dubai.

The Company had therefore provided for the impairment loss of the entire capital contribution in this LLC of ₹ 32.10 lakhs in FY 2020-21.

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%)		Activities
			As on	As on	
			31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	
6.3	Ownership Interest in Subsidiaries :				
1	Equity Shares of Anjani Tiles Limited	India	51%	51%	} Manufacturing of Tiles
2	1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited	India	39.56%	53.84%	
3	Investment in Limited Liability Partnership - Packcart Packaging LLP	India	51%	51%	} Manufacturing of Corrugated Boxes
4	Investment in Limited Liability Partnership - Race Polymer Arts LLP	India	51%	51%	
					} Manufacturing of Seat Cover, Cistren, Fitting
6.4	Ownership Interest in Associate :				
	Milo Tile LLP	India	26%	26%	Manufacturing of Tiles

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT			
At amortised cost			
1	Security Deposits (Unsecured, considered good)	119.71	84.60
2	Advance Contribution to Subsidiary*	62.45	140.51
Other Bank Balances			
3	Bank FDs with more than 12 months maturity	-	605.50
4	Margin Money Deposits with bank held as security with more than 12 months maturity	950.84	500.30
Total		1,133.00	1,330.91

\* Refer Note No. 39

**Note - 8. OTHER NON-CURRENT ASSETS**

1	<b>Capital Advances</b>	577.01	548.32
	Less: Allowance for Expected Credit Loss	(328.24)	(211.01)
	<b>Net Capital Advances</b>	<b>248.77</b>	<b>337.31</b>
2	<b>Advances other than Capital Advances</b>		
	(a) Others Advances (Unsecured, considered good)		
	(i) Advance Lease Rentals - Security Deposits	13.76	16.80
	(b) Advance Income Tax for earlier years	232.20	255.22
<b>Total</b>		<b>494.73</b>	<b>609.33</b>

**Note - 9. INVENTORIES**

As taken, valued &amp; certified by the Management

At lower of Cost and Net Realisable Value

1	Raw Materials	3,524.20	2,241.66
2	Work-in-progress	1,198.69	824.70
3	Finished Goods	8,657.42	2,481.11
4	Stock-in-trade	13,994.81	10,273.26
5	Stores and Spares	1,396.16	1,147.64
<b>Total</b>		<b>28,771.28</b>	<b>16,968.37</b>

**Note :**

9.1 Inventories are hypothecated to secure working capital facilities from State Bank of India.

**Note - 10. INVESTMENTS - CURRENT****Current Investments****Investments in Mutual Funds (Unquoted)****Measured at fair Value through Profit & Loss (FVTPL)**

1	SBI Savings Fund - Direct Plan -Growth 9616102.6010 Units NAV of ₹ 35.5614 each (22160648.6000 Units NAV of ₹ 34.1958 each as at 31 <sup>st</sup> March, 2021)	3,419.62	7,578.01
2	IDFC Corporate Bond Fund Regular Plan Growth 4812489.613 Units NAV of ₹ 15.7346 each (4905590.7810 Units NAV of ₹ 15.0230 each as at 31 <sup>st</sup> March, 2021)	757.23	736.97
3	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 6883789.369 Units NAV of ₹ 26.1331 each (7162196.6570 Units NAV of ₹ 24.9279 each as at 31 <sup>st</sup> March, 2021)	1,798.95	1,785.39



Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
4	Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) 68099.467 Units NAV of ₹ 2187.0567 each (44832.9110 Units NAV of ₹ 2097.7900 each as at 31 <sup>st</sup> March, 2021)	1,489.37	940.50
5	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 4164632.5570 Units NAV of ₹ 20.3992 each (4164632.5570 Units NAV of ₹ 19.5405 each as at 31 <sup>st</sup> March, 2021)	849.55	813.79
6	Axis Short Term Fund - Growth (ST-GP) 3209139.7240 Units NAV of ₹ 24.9292 each (4491579.0260 Units NAV of ₹ 23.8933 each as at 31 <sup>st</sup> March, 2021)	800.01	1,073.19
7	Axis Banking & PSU Debt Fund - Regular Growth (BD-GP) 54671.6500 Units NAV of ₹ 2140.7193 each (54671.6500 Units NAV of ₹ 2059.4026 each as at 31 <sup>st</sup> March, 2021)	1,170.37	1,125.91
8	IDFC Banking & PSU Debt Fund - Regular Plan - Growth 5750828.9360 Units NAV of ₹ 20.0164 each (5750828.9360 Units NAV of ₹ 19.2347 each as at 31 <sup>st</sup> March, 2021)	1,151.11	1,106.15
9	L & T Banking and PSU Debt Fund- Regular Growth 5507136.2820 Units NAV of ₹ 20.2002 each (5507136.2820 Units NAV of ₹ 19.4044 each as at 31 <sup>st</sup> March, 2021)	1,112.45	1,068.63
10	L & T Banking and PSU Debt Fund Direct Plan - Growth 5423136.0600 Units NAV of ₹ 21.0165 each (583083.5790 Units NAV of ₹ 20.1120 each as at 31 <sup>st</sup> March, 2021)	1,139.75	117.27
11	ICICI Prudential Corporate Bond Fund - Growth 2831219.4670 Units NAV of ₹ 23.6558 each (2831219.4670 Units NAV of ₹ 22.6880 each as at 31 <sup>st</sup> March, 2021)	669.75	642.35
12	L & T Short Term Bond Fund - Growth 2521308.8490 Units NAV of ₹ 21.6605 each (2521308.8490 Units NAV of ₹ 20.8400 each as at 31 <sup>st</sup> March, 2021)	546.13	525.44
13	SBI Corporate Bond Fund - Regular Plan Growth 9761597.1200 Units NAV of ₹ 12.5796 each (9761597.1200 Units NAV of ₹ 12.0821 each as at 31 <sup>st</sup> March, 2021)	1,227.97	1,179.41
14	Edelweiss Mutual Fund Bharat Bond ETF - April-2030 40000 Units NAV of ₹ 1203.0839 each (40000 Units NAV of ₹ 1134.3684 each as at 31 <sup>st</sup> March, 2021)	481.23	453.75
15	Kotak Banking and PSU Debt Fund - Regular Plan - Growth 1270249.392 Units NAV of ₹ 52.7948 each (1270249.3920 Units NAV of ₹ 50.3152 each as at 31 <sup>st</sup> March, 2021)	670.63	639.13
16	Kotak Floating Rate Fund - Regular Plan - Growth 195064.6600 Units NAV of ₹ 1214.8169 each (195064.6600 Units NAV of ₹ 1149.8455 each as at 31 <sup>st</sup> March, 2021)	2,369.68	2,242.94
17	L & T Triple Ace Bond Fund - Direct Plan - Growth 1335436.2750 Units NAV of ₹ 62.8597 each (1335436.2750 Units NAV of ₹ 59.6391 each as at 31 <sup>st</sup> March, 2021)	839.45	796.44
18	L & T Triple Ace Bond Fund - Growth 1097031.1720 Units NAV of ₹ 59.6662 each (1097031.1720 Units NAV of ₹ 56.8021 each as at 31 <sup>st</sup> March, 2021)	654.56	623.14
19	ICICI Prudential Banking & PSU Debt Fund - Growth 3439414.8080 Units NAV of ₹ 26.1348 each (3439414.8080 Units NAV of ₹ 24.9814 each as at 31 <sup>st</sup> March, 2021)	898.88	859.21
20	IDFC Bond Fund -Short Term Plan - Regular Plan Growth 2076176.3730 Units NAV of ₹ 46.4728 each (2076176.3730 Units NAV of ₹ 44.6658 each as at 31 <sup>st</sup> March, 2021)	964.86	927.34
21	HDFC Corporate Bond Fund - Direct Plan - Growth 15143548.5460 Units NAV of ₹ 26.4814 each (1463914.5070 Units NAV of ₹ 25.1835 each as at 31 <sup>st</sup> March, 2021)	4,010.22	368.66
22	ICICI Prudential Short Term Fund - Growth 2371754.8990 Units NAV of ₹ 47.7874 each (2371754.8990 Units NAV of ₹ 45.8632 each as at 31 <sup>st</sup> March, 2021)	1,133.40	1,087.76
23	Kotak Floating Rate Fund - Direct Plan Growth 13375.9980 Units NAV of ₹ 1227.3269 each (13375.9980 Units NAV of ₹ 1157.0556 each as at 31 <sup>st</sup> March, 2021)	164.17	154.77

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
24	SBI Dynamic Bond Fund - Direct Growth 709853.9780 Units NAV of ₹ 30.2725 each (709853.9780 Units NAV of ₹ 29.2065 each as at 31 <sup>st</sup> March, 2021)	214.89	207.32
25	Bharat Bond FOF - April 2025 -Direct Plan Growth 23810152.9690 Units NAV of ₹ 10.8230 each (5046123.8910 Units NAV of ₹ 10.2339 each as at 31 <sup>st</sup> March, 2021)	2,576.97	516.42
26	Axis Corporate Debt Fund - Regular Growth (CO-GP) 8021457.6570 Units NAV of ₹ 13.7565 each (8021457.6570 Units NAV of ₹ 13.1754 each as at 31 <sup>st</sup> March, 2021)	1,103.47	1,056.86
27	DSP Bond Fund -Regular Plan Growth 791425.2720 Units NAV of ₹ 66.1813 each (791425.2720 Units NAV of ₹ 63.5391 each as at 31 <sup>st</sup> March, 2021)	523.78	502.86
28	SBI Floating Rate Debt Fund - Direct Plan Growth 69153021.2510 Units NAV of ₹ 10.6519 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	7,366.11	-
29	HDFC Banking & PSU Debt Fund -Direct Plan Growth 1976743.860 Units NAV of ₹ 19.1592 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	378.73	-
30	IDFC Bond Fund - Short Term Plan- Direct Growth 2078625.8820 Units NAV of ₹ 48.9968 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,018.46	-
31	ICICI Prudential Corporate Bond Fund -Direct Growth 16464710.6090 Units NAV of ₹ 24.5863 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	4,048.06	-
32	DSP Bond Fund - Direct Plan Growth 1461851.0920 Units NAV of ₹ 69.4769 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,015.65	-
33	ICICI Prudential Banking & PSU Debt Fund -Direct Growth 1887260.7350 Units NAV of ₹ 26.9203 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	508.06	-
34	SBI Corporate Bond Fund - Direct Plan Growth 3971522.7670 Units NAV of ₹ 12.7751 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	507.37	-
35	ICICI Prudential Short Term Fund - Direct Plan Growth 5933470.6160 Units NAV of ₹ 51.0452 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	3,028.75	-
36	SBI Liquid Fund - Direct Growth 45042.2120 Units NAV of ₹ 3333.0896 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,501.30	-
37	SBI Overnight Fund - Direct Plan Growth 17442.6910 Units NAV of ₹ 3461.3538 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	603.75	-
38	Franklin India Low Duration Fund - Segregated Portfolio 2 270745.155 Units NAV of ₹ 0.3396 each (296772.065 Units NAV of ₹ 0.00 each as at 31 <sup>st</sup> March, 2021)	0.91	-
39	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund- Growth) Nil Unit (629432.2520 Units NAV of ₹ 30.8536 each as at 31 <sup>st</sup> March, 2021)	-	194.20
40	HDFC Banking & PSU Debt Fund - Regular Plan - Growth Nil Unit (2026124.5910 Units NAV of ₹ 17.8375 each as at 31 <sup>st</sup> March, 2021)	-	361.41
41	SBI Magnum Ultra Short Duration Fund - Direct Growth Nil Unit (47195.7030 Units NAV of ₹ 4718.9734 each as at 31 <sup>st</sup> March, 2021)	-	2,227.15
42	SBI Magnum Low Duration Fund - Direct Growth Nil Unit (411058.9000 Units NAV of ₹ 2795.7642 each as at 31 <sup>st</sup> March, 2021)	-	11,492.24
<b>Total</b>		<b>52,715.60</b>	<b>43,404.61</b>
<b>Aggregate Cost of Unquoted Investments</b>		<b>50,041.24</b>	<b>41,440.35</b>
<b>Aggregate Fair Value of Unquoted Investments</b>		<b>52,715.60</b>	<b>43,404.61</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 11. TRADE RECEIVABLES - CURRENT</b>			
1	Trade Receivables considered good - Secured	2,593.46	2,630.71
2	Trade Receivables considered good - Unsecured	12,133.54	17,145.15
3	Trade Receivables which have significant increase in Credit Risk	678.89	-
4	Trade Receivables - credit impaired	2,282.23	1,841.03
		<b>17,688.12</b>	<b>21,616.89</b>
	Less: Allowance for Expected Credit Losses on (4) above	1,279.88	945.53
	<b>Total</b>	<b>16,408.24</b>	<b>20,671.36</b>
<b>Movement in Allowance for Expected Credit Losses</b>			
	<b>Balance at the beginning of the year</b>	<b>945.53</b>	<b>610.55</b>
	Allowance for Expected Credit Losses provided during the year (Refer Note No. 36)	391.96	336.07
	Amounts written back during the year	(30.16)	(1.09)
	Amounts of Trade Receivables written off during the year	(27.45)	-
	<b>Balance at the end of the year</b>	<b>1,279.88</b>	<b>945.53</b>

**Notes :**

- 11.1 Trade Receivables are hypothecated to secure working capital facilities from State Bank of India.  
11.2 No Trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.  
11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.  
11.4 Trade Receivables are non-interest bearing and are generally on credit terms of 30 to 60 days.  
11.5 Refer Note No. 39 for dues from an Associate. (Unsecured, considered good)  
11.6 Ageing for Trade Receivables - Current as at 31<sup>st</sup> March, 2022 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,878.62	4,486.21	670.97	600.84	34.92	55.44	14,727.00
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.51	24.59	125.18	163.24	365.37	678.89
(iii) Undisputed Trade Receivables - credit impaired	-	7.41	16.53	188.09	189.95	1,880.25	2,282.23
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>8,878.62</b>	<b>4,494.13</b>	<b>712.09</b>	<b>914.11</b>	<b>388.11</b>	<b>2,301.06</b>	<b>17,688.12</b>

Ageing for Trade Receivables - Current as at 31<sup>st</sup> March, 2021 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	10,813.44	6,341.35	281.60	984.48	933.68	421.31	19,775.86
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	206.51	-	112.00	928.10	594.42	1,841.03
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>10,813.44</b>	<b>6,547.86</b>	<b>281.60</b>	<b>1,096.48</b>	<b>1,861.78</b>	<b>1,015.73</b>	<b>21,616.89</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 12. CASH &amp; CASH EQUIVALENTS</b>			
1	Balances with banks in current accounts	172.17	700.20
2	Cash on hand	5.95	9.87
3	Bank FDs with original maturity of less than 3 months	1,200.07	-
	<b>Total</b>	<b>1,378.19</b>	<b>710.07</b>
<b>Note - 13. OTHER BALANCES WITH BANKS</b>			
1	Bank Fixed Deposits with original maturity of more than 3 months but less than 12 months	0.68	166.18
2	Earmarked Balances with Banks (Unpaid Dividend)*	103.75	107.52
	<b>Total</b>	<b>104.43</b>	<b>273.70</b>
* Not due for deposit in the Investor Education and Protection Fund			
<b>Note - 14. OTHER FINANCIAL ASSETS - CURRENT</b>			
<b>At amortised cost (Unsecured, considered good)</b>			
1	Security Deposits	150.69	183.65
2	Insurance claims receivable	92.00	99.20
3	Interest accrued and receivable	89.42	103.71
4	Advance to staff	45.27	58.68
	<b>Total</b>	<b>377.38</b>	<b>445.24</b>
<b>Note - 15. OTHER CURRENT ASSETS</b>			
<b>Advances other than Capital Advances (Unsecured, considered good)</b>			
	Other Advances		
(i)	Prepaid Expenses	634.67	691.30
(ii)	Balance with Customs & Central Excise Authorities	56.00	56.00
(iii)	Advance Lease Rentals - Security Deposits	8.80	9.62
(iv)	Advances to Subsidiaries*	-	1,170.00
(v)	Advances to related parties*	70.80	70.80
(vi)	Other Advances	2,237.51	947.95
	<b>Total</b>	<b>3,007.78</b>	<b>2,945.67</b>
* Refer Notes No. 39 and 46			
<b>Note - 16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>			
<b>Trade Investments (Refer Note No. 6)</b>			
<b>Investments in Subsidiary (Unquoted)</b>			
<b>A</b>	<b>Investments in Equity Instruments (valued at lower of carrying amount and fair value less costs to sell)</b>		
	1,02,00,000 Equity Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up (Previous year: Nil)	1,020.00	-
	Less : Impairment Loss upon divestment of Equity Shares of Anjani Tiles Limited	(573.80)	-
	<b>Total (A)</b>	<b>446.20</b>	<b>-</b>
<b>B</b>	<b>Investments in Preference Shares (valued at fair value which is equivalent to carrying amount)</b>		
	1,78,00,000 1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up (Previous year: Nil)	1,780.00	-
	<b>Total (B)</b>	<b>1,780.00</b>	<b>-</b>
	<b>Total (A + B)</b>	<b>2,226.20</b>	<b>-</b>

**Notes :**

- 16.1 Pursuant to the Resolution passed at the Board Meeting held on 5<sup>th</sup> August, 2021 for consideration of the proposal and in principle approval for divestment of the Company's entire stake in Anjani Tiles Limited, a subsidiary company, a Memorandum of Understanding (MOU) was executed on 17<sup>th</sup> August, 2021 by and amongst Cera Sanitaryware Limited (Cera), Anjani Vishnu Holdings Ltd (AVHL) (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL) (Subsidiary Company) for the transfer / divestment of entire stake in Anjani Tiles Limited, consisting of 1,02,00,000 Equity shares of ₹ 10/- each and 2,42,30,000 1% Cumulative Redeemable Preference shares of ₹ 10/- each on a fully diluted basis, for a total consideration of ₹ 2,869.20 Lakhs.
- 16.2 The Company, AVHL and ATL also entered in to Share Purchase Agreement (SPA) dated 26<sup>th</sup> August, 2021 pursuant to which the Company agreed to sell all the Equity and Preference Shares held by it in ATL to AVHL.
- 16.3 Total consideration as referred above, will be received by the Company in one or more tranches, beginning from 30<sup>th</sup> September, 2021 and completing on 31<sup>st</sup> March, 2023 through an escrow mechanism and as per the Payment Schedule set out in the MOU. Accordingly, the first tranche of ₹ 643.00 Lakhs has been received on 28<sup>th</sup> September, 2021 from the Acquirer Company and 64,30,000 Preference Shares of ATL have been transferred (off market) to AVHL on 29<sup>th</sup> September, 2021.
- 16.4 Further, pursuant to the MOU and SPA, the Share Escrow Agreement was executed by the Company, AVHL and ATL with Federal Bank Ltd. (Escrow Agent) jointly on 23<sup>rd</sup> November, 2021. Both Cera and AVHL have transferred their respective entire Equity shareholding and their respective balance Preference shareholding to the Escrow Account in January, 2022 with lien marked in favour of the Escrow Agent.

16.5 Company's shareholdings in Equity and Preference shares in ATL have been presented as Non-current Assets classified as Held for Sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard - 105 - "Non-current Assets Held for Sale and Discontinued Operations", measured at the lower of its carrying amount and fair value less costs to sell in respect of Equity shares and at fair value in respect of Preference shares as at 31<sup>st</sup> March, 2022. The impairment loss of ₹ 573.80 Lakhs on Equity Shares (Preference shares to be transferred at fair value which is equivalent to carrying amount) due to above arrangements has been recognised in the Statement of Profit and Loss as Exceptional Item.

		(₹ in lakhs)	
Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 17. SHARE CAPITAL</b>			
1	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of ₹ 5/- each	1,000.00	1,000.00
	(2,00,00,000 Equity Shares of ₹ 5/- each as at 31 <sup>st</sup> March, 2021)		
	<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
2	<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
	1,30,05,874 Equity Shares of ₹ 5/- each fully paid up	650.29	650.29
	(1,30,05,874 Equity Shares of ₹ 5/- each fully paid up as at 31 <sup>st</sup> March, 2021)		
	<b>Total</b>	<b>650.29</b>	<b>650.29</b>

**Notes :**

17.1 The reconciliation of the number of Equity Shares outstanding and amount of share capital is set out below: (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,30,05,874	650.29	1,30,05,874	650.29
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,30,05,874	650.29	1,30,05,874	650.29

**17.2 Terms / Rights attached to Equity Share :**

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**17.3 Details of the shareholders holding more than 5% of the aggregate shares are set out below :**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%
Smt. Smiti Somany	13,42,240	10.32%	13,42,240	10.32%
Nalanda India Equity Fund Limited	12,98,143	9.98%	12,98,143	9.98%

**17.4 Details of the shareholding of promoters are set out below :**

Promoter Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%	-
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%	-
Smt. Smiti Somany	13,42,240	10.32%	13,42,240	10.32%	-
Rekha Commercial Pvt. Ltd.	5,32,388	4.09%	5,32,388	4.09%	-
Trisure Promotions & Tradings Pvt. Ltd.	4,84,400	3.72%	4,84,400	3.72%	-
Deepshikha Khaitan	3,39,116	2.61%	3,39,116	2.61%	-
Suvinay Trading & Investment Co. Ltd.	3,22,808	2.48%	3,22,808	2.48%	-
Pooja Jain Somany	2,00,000	1.54%	2,00,000	1.54%	-
Madhusudan Industries Ltd.	18,065	0.14%	18,065	0.14%	-
<b>Total</b>	<b>70,85,139</b>	<b>54.48%</b>	<b>70,85,139</b>	<b>54.48%</b>	

17.5 There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.



(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 18. OTHER EQUITY</b>			
1	<b>Other Reserves</b>		
	(i) Securities Premium	8,095.94	8,095.94
	(ii) General Reserve		
	<b>Balance as per last financial year</b>	49,000.47	43,540.01
	Add : Transferred from Statement of Profit and Loss	3,439.58	5,460.46
		<b>52,440.05</b>	49,000.47
2	<b>Retained Earnings</b>		
	<b>Balance as per last financial year</b>	30,130.34	25,460.47
	Add : Profit for the year	14,935.98	10,130.33
	Less : Appropriations		
	Transferred to General Reserve	(3,439.58)	(5,460.46)
	Dividend on Equity Shares distributed for F.Y. 2020-21	(1,690.76)	-
		<b>39,935.98</b>	30,130.34
3	<b>Other Comprehensive Income</b>		
	Remeasurements of Defined Benefit Plan		
	<b>Balance as per last financial year</b>	(437.12)	(457.56)
	Adjustments during the year		
	Add : Actuarial (Loss) / Gain on Remeasurement of Defined Benefit Plan	(147.76)	27.31
	Less : Current Tax effect on Gratuity	(1.28)	(12.57)
	Less : Deferred Tax on Leave Encashment	38.47	5.70
		<b>(547.69)</b>	(437.12)
	<b>Total</b>	<b>99,924.28</b>	86,789.63

**Nature and purpose of Other Reserves****(a) Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(b) General Reserve**

General Reserve is created out of profit after tax earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 19. OTHER FINANCIAL LIABILITIES - NON-CURRENT</b>			
1	Deposits by Dealers	2,680.71	2,727.71
2	Due to others	22.23	22.23
	<b>Total</b>	<b>2,702.94</b>	2,749.94
<b>Note - 20. PROVISIONS - NON-CURRENT</b>			
1	<b>Provision for Employee Benefits</b>		
	Provision for Leave Encashment	569.54	606.50
2	<b>Provision for Tax</b>		
	Provision for Income Tax of earlier years	320.72	402.74
	<b>Total</b>	<b>890.26</b>	1,009.24

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 21. DEFERRED TAX LIABILITIES (NET)</b>			
1	<b>Deferred Tax Liabilities</b> (Arising on account of temporary difference)		
(a)	Assets : Impact of difference between carrying value and tax base of Depreciable assets	3,018.85	3,043.78
(b)	Impact of difference between carrying value and tax base of Investments in Mutual Funds	672.88	494.36
	<b>Total Deferred Tax Liabilities (A)</b>	<b>3,691.73</b>	<b>3,538.14</b>
2	<b>Deferred Tax Assets</b> (Arising on account of temporary difference)		
(a)	Leave Encashment	203.25	206.33
(b)	Others*	67.42	65.83
	<b>Total Deferred Tax Assets (B)</b>	<b>270.67</b>	<b>272.16</b>
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>3,421.06</b>	<b>3,265.98</b>

**Reconciliation of Deferred Tax Liabilities (Net):**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening Balance	3,265.98	3,256.58
Tax Expense/(Income) during the period recognised in Profit or Loss	193.55	15.10
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	(38.47)	(5.70)
Tax Expense/(Income) during the period recognised directly in Other Equity	-	-
<b>Closing balance</b>	<b>3,421.06</b>	<b>3,265.98</b>

**Movements in DTA:**

Particulars	Leave Encashment	Others*	Total
At 1 <sup>st</sup> April, 2020	160.83	100.13	260.96
(Charged)/Credited:			
to Profit or Loss	39.80	(34.30)	5.50
to Other Comprehensive Income	5.70	-	5.70
directly to Equity	-	-	-
At 31 <sup>st</sup> March, 2021	206.33	65.83	272.16
(Charged)/Credited:			
to Profit or Loss	(41.55)	1.59	(39.96)
to Other Comprehensive Income	38.47	-	38.47
directly to Equity	-	-	-
<b>At 31<sup>st</sup> March, 2022</b>	<b>203.25</b>	<b>67.42</b>	<b>270.67</b>

\*Includes impact of Ind AS 116

**Movements in DTL:**

Particulars	Assets : Impact of difference between carrying value and tax base of Depreciable assets	Impact of difference between carrying value and tax base of Investments in Mutual Funds	Total
At 1 <sup>st</sup> April, 2020	3,096.84	420.70	3,517.54
(Charged)/Credited:			
to Profit or Loss	(53.06)	73.66	20.60
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31 <sup>st</sup> March, 2021	3,043.78	494.36	3,538.14
(Charged)/Credited :			
to Profit or Loss	(24.93)	178.52	153.59
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
<b>At 31<sup>st</sup> March, 2022</b>	<b>3,018.85</b>	<b>672.88</b>	<b>3,691.73</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 22. BORROWINGS - CURRENT</b>			
<b>Borrowings Repayable on Demand</b>			
	From State Bank of India (Secured)		
	Cash Credit	1,677.17	1,242.99
	From HDFC Bank Ltd (Unsecured)		
	Overdraft Working Capital	242.98	-
	<b>Total</b>	<b>1,920.15</b>	<b>1,242.99</b>

**Notes :**

## 22.1 (a) Primary Security

Cash Credit facilities from State Bank of India (SBI) are secured by exclusive hypothecation over entire Current Assets of the Company.

## (b) Collateral Security

(i) Hypothecation of entire Fixed Assets including Plant and Machinery situated at Plot no. 9 GIDC, Industrial Estate, Kadi and windmills located at Village Kadoli, Dist: Kutch and at Kalyanpur, Dist: Jamnagar.

(ii) Equitable mortgage on land and buildings of Residential Colony at Kadi and factory land and buildings situated at Kadi factory.

(c) As per the sanction letter of SBI dated 28<sup>th</sup> January, 2022, the competent authority of the Bank has approved the release of above collateral securities if ECR does not fall below "AA" and the Company submitting negative Lien and Free Access Letter to the Bank in respect of factory land and buildings situated at Kadi factory. Accordingly, the Mortgage Release Deed has been executed by SBI on 29<sup>th</sup> April, 2022. Original documents of title of above properties will be handed over by the Bank in near future.

22.2 Rate of interest on various cash credit facilities from State Bank of India chargeable at 0.15% above 6 months MCLR (Present effective rate 7.10 % p.a.) and rate of interest on export packing credit facility is chargeable at ARR + 2 bps for 120 days.

22.3 Rate of interest on overdraft working capital facility from HDFC Bank Ltd is 6.95% p.a.

22.4 Monthly statements of current assets filed by the company with banks are in agreement with the books of account.

**Note - 23. TRADE PAYABLES - CURRENT**

1	Total outstanding dues of micro enterprises and small enterprises*	3,678.74	3,352.03
2	Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,088.96	10,932.53
	<b>Total</b>	<b>13,767.70</b>	<b>14,284.56</b>

\* Disclosure with respect to amount due to MSME is given in Note No. 44 and due to related parties is given in Note No. 39

23.1 Ageing for Trade Payables - Current as at 31<sup>st</sup> March, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,678.74	-	-	-	-	3,678.74
(ii) Others	9,083.38	962.18	1.00	19.90	22.50	10,088.96
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>12,762.12</b>	<b>962.18</b>	<b>1.00</b>	<b>19.90</b>	<b>22.50</b>	<b>13,767.70</b>

Ageing for Trade Payables - Current as at 31<sup>st</sup> March, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,331.46	-	20.57	-	-	3,352.03
(ii) Others	10,184.20	696.53	24.73	1.29	25.78	10,932.53
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>13,515.66</b>	<b>696.53</b>	<b>45.30</b>	<b>1.29</b>	<b>25.78</b>	<b>14,284.56</b>

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 24. OTHER FINANCIAL LIABILITIES - CURRENT</b>			
1	Unpaid dividends*	103.75	107.52
2	Retention money payable	175.16	175.81
3	Others		
	(i) Employee related payable	3,834.78	3,039.43
	(ii) Expenses payable	9,739.04	10,466.87
	<b>Total</b>	<b>13,852.73</b>	<b>13,789.63</b>
* Not due for deposit in the Investor Education and Protection Fund			
<b>Note - 25. OTHER CURRENT LIABILITIES</b>			
1	Payable towards Statutory dues	1,494.81	1,033.31
2	Contract Liability - Advances received from Customers*	1,484.98	1,358.90
	<b>Total</b>	<b>2,979.79</b>	<b>2,392.21</b>
<b>25.1 * Contract Liability - Advances received from Customers</b>			
	Opening Balance of Contract Liability	1,358.90	1,365.87
	Add : Addition of Contract Liability - Advances received from Customers	1,484.98	1,358.90
	Less : Revenue recognised during the reporting period	(1,358.90)	(1,365.87)
	Closing Balance of Contract Liability	1,484.98	1,358.90
<b>Note - 26. CURRENT PROVISIONS</b>			
	Provision for Leave Encashment	238.04	238.74
	<b>Total</b>	<b>238.04</b>	<b>238.74</b>
<b>Note - 27. CURRENT TAX LIABILITIES (NET)</b>			
	Provision for tax (Net)	622.41	353.91
	<b>Total</b>	<b>622.41</b>	<b>353.91</b>

(₹ in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 28. REVENUE FROM OPERATIONS</b>		
<b>A Revenue from Contracts with Customers</b>		
(a) Sale of products (Building Products)	1,43,773.56	1,19,890.26
(b) Sale of services	52.70	44.34
	<u>1,43,826.26</u>	<u>1,19,934.60</u>
<b>B Other Operating Revenue</b>		
(a) Exports Incentives	80.91	27.96
(b) Insurance Claims Received	85.38	88.58
(c) Miscellaneous Operating Income	183.02	119.53
	<u>349.31</u>	<u>236.07</u>
<b>Total</b>	<u>1,44,175.57</u>	<u>1,20,170.67</u>

**Notes :****28.1 Disaggregation of Revenue**

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data :

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Product Type</b>		
Goods	1,43,773.56	1,19,890.26
After Sales Services	52.70	44.34
<b>Total</b>	<u>1,43,826.26</u>	<u>1,19,934.60</u>
<b>Contract Counterparties</b>		
Dealers	1,43,773.56	1,19,890.26
Direct to Consumers	52.70	44.34
<b>Total</b>	<u>1,43,826.26</u>	<u>1,19,934.60</u>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	1,43,826.26	1,19,934.60
<b>Total</b>	<u>1,43,826.26</u>	<u>1,19,934.60</u>

28.2 The expected credit loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 11.

28.3 The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 25 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 25.1.

28.4 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

28.5 For transactions with Related Parties : Refer Note No. 39

(₹ in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 29. OTHER INCOME</b>		
<b>1 Interest Income from Financial Assets at Amortised Cost</b>		
(a) On Security Deposits	15.27	12.60
(b) Others	309.02	291.91
<b>2 Other Non-operating Income</b>		
(a) Profit on redemption of Mutual Fund Units (Net)	93.01	63.99
(b) Net Gain on Fair Valuation of Investments	1,731.68	1,648.46
(c) Profit on Sale of Property, Plant and Equipment (Net)	-	30.02
(d) Share of Profit on Investment in LLP*	20.40	5.10
(e) Net Gain on Foreign Currency Translation	10.24	-
(f) Gain on termination of Lease (Net)	30.83	-
(g) Miscellaneous Income	19.50	14.87
(h) Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	48.10	111.97
<b>Total</b>	<u>2,278.05</u>	<u>2,178.92</u>

\* Refer Note No. 39



Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 30. COST OF MATERIALS CONSUMED</b>		
Opening Stock	2,241.66	2,232.55
Add : Purchases (Net)	18,923.71	8,539.94
<b>Sub Total</b>	<b>21,165.37</b>	<b>10,772.49</b>
Less : Closing Stock	3,524.20	2,241.66
<b>Total</b>	<b>17,641.17</b>	<b>8,530.83</b>
<b>Note - 31. PURCHASES OF STOCK IN TRADE</b>		
Sanitaryware and other allied products	60,730.96	52,797.09
<b>Total</b>	<b>60,730.96</b>	<b>52,797.09</b>
<b>Note - 32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>		
<b>Inventories at the end of the year:</b>		
Finished Goods	8,657.42	2,481.11
Work-in-progress	1,198.69	824.70
Stock-in-Trade	13,994.81	10,273.26
	<b>23,850.92</b>	<b>13,579.07</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	2,481.11	5,386.80
Work-in-progress	824.70	792.12
Stock-in-Trade	10,273.26	10,802.59
	<b>13,579.07</b>	<b>16,981.51</b>
<b>Change in Inventories</b>	<b>(10,271.85)</b>	<b>3,402.44</b>
<b>Note - 33. EMPLOYEE BENEFITS EXPENSE</b>		
1 Salaries, Wages and Bonus	16,779.59	12,872.91
2 Contribution to Provident and other Funds	1,002.05	801.60
3 Staff and Labour Welfare Expenses	1,293.31	758.69
<b>Total</b>	<b>19,074.95</b>	<b>14,433.20</b>

**Note :**

33.1 As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plan :**

The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

**Defined Benefit Plan :**

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

**Gratuity :**

The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Plan Features	
Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years

**Leave Encashment :** The benefits are governed by the Company's Leave Policy.

**Key Features**

Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	$(1/30) \times (\text{Basic Salary}) \times (\text{Leave Days})$
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

**Risks associated to the Plan (Gratuity and Leave Encashment)**

A. Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B. Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C. Liquidity Risk	Risks on account of Employees resignation / retirement from the company, resulting into strain on the cashflow.
D. Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E. Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

**Key Assumptions considered (Gratuity and Leave Encashment)**

**Actuarial Assumptions**

A. Discount Rate	7.25 % p.a
B. Salary Growth Rate	5.75 % p.a
C. Rate of Interest on Plan Assets	7.25 % p.a
D. Mortality	IALM 2012-14
E. Withdrawal Rate	6.00% p.a.

**Financial Assumptions**

A. Discount Rate	7.25 % p.a
B. Salary Growth Rate	5.75% p.a

**Demographic Assumptions**

A. Withdrawal Rate	6.00% p.a
B. Mortality Rate	-

(₹ in lakhs)

Particulars	2021-22		2020-21	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	2,068.73	845.24	1,938.96	836.89
Current Service Cost	170.48	97.43	175.26	98.58
Interest Cost	149.98	61.28	130.88	56.49
Actuarial (Gain) / Losses recognised in Other Comprehensive Income	-	-	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumptions (Gain)	(76.89)	(27.40)	-	-
Due to Experience adjustments (Loss)	131.72	180.26	(43.48)	22.64
Benefits paid	(428.79)	(349.23)	(132.89)	(169.36)
Prior year Charge	-	-	-	-
Defined Benefit Obligation at year end	2,015.23	807.58	2,068.73	845.24
<b>Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of Plan Assets at beginning of the year	2,071.80	-	1,938.96	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on Plan Assets	150.20	-	130.88	-
Actuarial Gain / (Loss)	59.93	-	6.47	-
Employer Contribution	384.80	-	128.38	-
Benefits paid	(428.79)	-	(132.89)	-
Fair Value of Plan Assets at year end	2,237.94	-	2,071.80	-
Return on Plan Assets recognised in Other Comprehensive Income (Gain) / Loss	(5.10)	-	(49.95)	-
Actual return on Plan Assets	210.14	-	137.35	-

(₹ in lakhs)

Particulars	2021-22		2020-21				
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)			
Reconciliation of fair value of assets and obligations							
Fair value of Plan Assets	2,237.94	-	2,071.80	-			
Present value of Obligation	2,015.23	807.58	2,068.73	845.24			
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	222.71	(807.58)	3.07	(845.24)			
Expense recognized during the year							
Current Service Cost	170.48	97.43	175.26	98.58			
Interest Cost	149.98	61.28	130.88	56.49			
Expenses deducted from the fund	-	-	-	-			
Expected return on plan Assets	(150.20)	-	(130.88)	-			
Net Cost	170.26	158.71	175.26	155.07			
Investment Details							
Debt Instruments							
Government of India Securities	0.67%	-	37.04%	-			
High Quality Coporate Bonds	4.56%	-	44.93%	-			
State Government Securities	2.82%	-	2.75%	-			
Cash and Cash Equivalents							
Fixed Deposits	-	-	-	-			
Bank Balances	-	-	-	-			
Special Deposit Scheme	0.39%	-	0.42%	-			
Investment Funds							
Insurance Policies	91.56%	-	10.78%	-			
Others							
Mutual Funds	-	-	4.08%	-			
Actuarial Assumptions							
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14			
Discount Rate	7.25%	7.25%	6.75%	6.75%			
Expected Rate of Return	7.25%	-	6.75%	-			
Rate of escalation in Salary	5.75%	5.75%	5.75%	5.75%			
Sensitivity Analysis							
Particulars	Changes in assumption	Increase in assumption		Decrease in assumption			
		Increase / Decrease by	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Increase / Decrease by	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Impact on Defined Benefit Obligation (Gratuity)							
Discount Rate	1%	Decrease by	7%	8%	Increase by	8%	7%
Salary Growth Rate	1%	Increase by	8%	8%	Decrease by	7%	7%
Withdrawal Rate	1%	Increase by	1%	0%	Decrease by	1%	0%
Impact on Defined Benefit Obligation (Leave Encashment)							
Discount Rate	1%	Decrease by	6%	7%	Increase by	7%	6%
Salary Growth Rate	1%	Increase by	7%	7%	Decrease by	6%	6%
Withdrawal Rate	1%	Increase by	1%	0%	Decrease by	1%	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

#### Funding arrangements and funding policy :

Gratuity liability is funded whereas leave Benefits Liability is not funded. There are no minimum funding requirements for Leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds , special deposit scheme etc., as per rules and regulations. Every year , the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Amounts for the current and previous years are as follows

(₹ in lakhs)		
Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
1 <b>Gratuity (Funded)</b>		
Defined Benefit Obligation	2,015.23	2,068.73
Plan Assets	2,237.94	2,071.80
Surplus / (Deficit)	222.71	3.07
Experience adjustments on Plan Liability (Gain)/Loss	131.72	(43.48)
Experience adjustments on Plan Assets Gain	59.93	6.47
2 <b>Leave Encashment (Non-Funded)</b>		
Defined Benefit Obligation	807.58	845.24
Experience adjustments on Plan Liability (Gain)	180.26	22.64

Company's estimate of Contributions expected to be paid during Financial Year 2022-23 is as under:

- (i) **Defined Contribution Plan :**  
 (a) Employer's contribution to Provident Fund 12% of Basic Salary
- (ii) **Defined Investment Plan :**  
 (a) Gratuity 200.31  
 (b) Leave Encashment -

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(₹ in lakhs)			
Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 34. FINANCE COSTS</b>			
1	Interest Costs		
	(a) Interest on Financial Liabilities	399.24	362.04
	(b) For Income Tax	46.00	48.95
2	Other Borrowing Costs	13.47	10.59
3	Net Loss on Foreign Currency Translation (attributable to finance cost)	-	5.19
	<b>Total</b>	<b>458.71</b>	<b>426.77</b>
<b>Note - 35. DEPRECIATION &amp; AMORTIZATION EXPENSE</b>			
1	Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	2,329.54	2,623.26
2	Amortization of Other Intangible Assets (Refer Note No. 5)	42.35	67.17
3	Depreciation on Right-of-use Assets (Refer Note No. 45(a))	671.11	632.61
	<b>Total</b>	<b>3,043.00</b>	<b>3,323.04</b>

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 36. OTHER EXPENSES</b>			
1	Stores, Spares, Chemicals and Packing Materials Consumed	5,221.07	2,697.61
2	Power and Fuel	4,383.30	1,720.18
3	Repairs and Maintenance		
	- To Buildings	116.97	67.85
	- To Plant and Equipment	314.44	275.74
	- To Others	283.88	222.93
4	Auditors' Remuneration		
	- As Audit Fees	10.50	9.00
	- For Other services	5.49	4.22
	- For Reimbursement of expenses	0.35	0.39
5	Research & Development Expenses	188.94	123.42
6	Freight and Forwarding Expenses (Net)	8,310.36	7,673.15
7	Sales Promotion Expenses	6,582.54	5,922.91
8	Publicity & Advertisement Expenses	3,246.43	1,600.21
9	Bad Debts	-	16.00
10	Allowance for Expected Credit Loss - Trade Receivables	391.96	336.07
11	Allowance for Expected Credit Loss - Capital Advances	117.23	117.23
12	Impairment Loss on Investment / Business Loss in Associate Entities	-	32.60
13	Rent Expenses	129.52	130.08
14	Insurance	1,335.83	1,304.32
15	Rates and Taxes	24.12	24.53
16	Loss on Sale of Property, Plant and Equipment (Net)	21.92	-
17	Directors' Commission	16.00	20.00
18	Directors' Sitting Fees	2.80	2.50
19	Foreign Exchange Fluctuations (Net)	6.20	7.22
20	Donation	5.26	2.65
21	CSR Expenses	291.03	316.57
22	Amortisation of Prepaid Rentals	14.14	13.35
23	Loss on Termination of Lease (Net)	-	3.34
24	Deficit due to surrender of exemption granted to Provident Fund Trust (Refer Note No. 49)	328.47	-
25	Miscellaneous Expenses	3,526.88	3,367.67
	<b>Total</b>	<b>34,875.63</b>	<b>26,011.74</b>
<b>Note - 37. CURRENT TAX</b>			
	Current Tax	5,197.72	3,279.05
	<b>Total</b>	<b>5,197.72</b>	<b>3,279.05</b>

**Reconciliation of Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax rate of the Company is as follows :**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Accounting Profit before Income Tax</b>	<b>20,327.25</b>	<b>13,424.48</b>
Add : Interest Expense on Income Tax (Refer Note No. 34)	46.00	48.95
<b>Accounting Profit before Income Tax</b>	<b>20,373.25</b>	<b>13,473.43</b>
<b>India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)</b>	<b>5,127.54</b>	<b>3,390.99</b>
Due to Income exempt from Taxation	(21.26)	(22.59)
Non-Deductible Expenses for Tax purpose	1,268.10	1,067.89
Deductible Expenses for Tax purpose	(1,397.10)	(1,338.58)
Income not chargeable for Tax purpose	192.04	(30.33)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	221.95	226.77
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>5,391.27</b>	<b>3,294.15</b>



(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 38. EARNINGS PER SHARE</b>			
1	Net Profit attributable to the Equity Shareholders (₹ in lakhs) (A)	<b>14,935.98</b>	10,130.33
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	<b>1,30,05,874</b>	1,30,05,874
3	Nominal value of Equity Shares (₹)	<b>5</b>	5
4	Basic/Diluted Earnings per Share (₹) (A/B)	<b>114.84</b>	77.89

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains the same.

**Note - 39. RELATED PARTY DISCLOSURE**

39.1 Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place during the reported period.

**(A) Subsidiaries & Associate Entity:**

Sr. No.	Name	Nature	Ownership Interest held by the Company directly or indirectly	
			As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	Anjani Tiles Limited	Subsidiary	<b>51%</b>	51%
2	Packcart Packaging LLP	Subsidiary	<b>51%</b>	51%
3	Race Polymer Arts LLP	Subsidiary	<b>51%</b>	51%
4	Milo Tile LLP	Associate	<b>26%</b>	26%

**(B) Key Management Personnel:**

Sr. No.	Name	Designation
1	Shri Vikram Somany	Chairman and Managing Director
2	Smt. Deepshikha Khaitan	Joint Managing Director
3	Shri Atul Sanghvi	Executive Director & CEO (ceased w.e.f. 14.10.2021)
4	Shri Anupam Gupta	Executive Director (Technical) (w.e.f. 15.10.2021)
5	Shri Ayush Bagla	Executive Director
6	Shri R.B.Shah	CFO & COO (Fin. & Comm.)
7	Shri Hemal Sadiwala	Company Secretary
8	Shri Sajan Kumar Pasari	Non Executive Independent Director
9	Shri Lalit Kumar Bohania	Non Executive Independent Director
10	Shri Jugal Kishore Taparia	Non Executive Independent Director (Ceased w.e.f. 06.02.2021)
11	Shri Surendra Singh Baid	Non Executive Independent Director
12	Ms. Akriti Jain	Non Executive Independent Director

**(C) Other Related Parties:**

Sr. No.	Particulars
<b>(a) Relatives of Key Management Personnel</b>	
1	Smt. Smiti Somany
2	Smt. Pooja Jain Somany
<b>(b) Enterprises significantly influenced by Key Management Personnel and / or their relatives</b>	
1	Madhusudan Industries Limited
2	Cera Foundation
3	Indian Council of Sanitaryware Manufacturers
<b>(c) Post Employment Benefit Plans</b>	
1	Madhusudan Gratuity Fund

## 39.2 Disclosures of Transactions during the year between the Company and Related Parties:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Subsidiaries & Associate		Key Management Personnel		Other Related Parties	
		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Revenue from Operations	-	73.05	-	-	-	-
2	Other Income	1.02	1.72	-	-	-	-
3	Purchase of Goods	10,292.42	9,272.90	-	-	-	-
4	Investment in Shares	78.06	510.00	-	-	-	-
5	Donation	-	-	-	-	1.15	2.65
6	Remuneration	-	-	1,774.93	1,262.29	-	-
7	Rent, Rates & Taxes	-	-	-	-	90.96	77.12
8	Other Service	-	-	18.80	22.50	17.50	14.86
9	Advances given	530.00	4.35	-	-	-	-
10	Advances Recovered	1,700.00	1,224.21	-	-	-	-
11	Contribution to Gratuity Fund	-	-	-	-	-	15.50
12	Share of Profit in LLP	20.40	5.10	-	-	-	-
	<b>Total</b>	<b>12,621.90</b>	<b>11,091.33</b>	<b>1,793.73</b>	<b>1,284.79</b>	<b>109.61</b>	<b>110.13</b>

39.3 The details of amounts due to or due from related parties as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 :

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	Trade Payables		
	(a) From Subsidiaries		
	Anjani Tiles Limited	1.02	157.12
	Packcart Packaging LLP	145.88	78.80
	Race Polymer Arts LLP	607.32	564.29
	<b>Sub Total (a)</b>	<b>754.22</b>	<b>800.21</b>
	(b) From Associate		
	Milo Tile LLP	392.64	158.57
	<b>Sub Total (b)</b>	<b>392.64</b>	<b>158.57</b>
	<b>Total Trade Payable to Subsidiaries &amp; Associate (a+b)</b>	<b>1,146.86</b>	<b>958.78</b>
2	Other Financial Assets & Advances		
	(a) Subsidiaries		
	Anjani Tiles Limited (Refer Note No. 15(iv))	-	1,170.00
	Race Polymer Arts LLP (Refer Note No. 7(2))	62.45	140.51
	<b>Sub Total (a)</b>	<b>62.45</b>	<b>1,310.51</b>
	(b) Associate		
	Milo Tile LLP (Refer Note No. 15(v))	70.80	70.80
	<b>Sub Total (b)</b>	<b>70.80</b>	<b>70.80</b>
	(c) Other Related Parties		
	Madhusudan Industries Limited	20.29	20.29
	<b>Sub Total (c)</b>	<b>20.29</b>	<b>20.29</b>
	<b>Balance of advances to Related Parties (a+b+c)</b>	<b>153.54</b>	<b>1,401.60</b>

**39.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:**

(₹ in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Purchase of Goods	Anjani Tiles Limited	4,563.23	4,916.88
2	Investment in Shares	Anjani Tiles Limited	-	510.00
3	Investment in LLP	Race Polymers Arts LLP	78.06	-
4	Donation	Cera Foundation	1.15	2.65
5	Remuneration	Key Management Personnel	1,774.93	1,262.29
6	Rent, Rates & Taxes	Madhusudan Industries Limited	90.96	77.12
7	Other Services	Madhusudan Industries Limited	17.38	14.74
		Key Management Personnel	18.80	22.50
8	Advances given	Anjani Tiles limited	530.00	-
		Milo Tile LLP	-	4.35
9	Advances Recovered	Anjani Tiles limited	1,700.00	1,224.21
10	Contribution to Gratuity Fund	Madhusudan Gratuity Fund	-	15.50
11	Share of Profit in LLP	Packcart Packaging LLP	20.40	5.10

**38.5 Breakup of compensation to Key Management Personnel:**

(₹ in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Short-Term Employee Benefits	Shri Vikram Somany	713.31	514.39
		Smt. Deepshikha Khaitan	281.72	230.87
		Shri Atul Sanghvi	135.45	245.57
		Shri Ayush Bagla	213.22	134.95
		Shri. Anupam Gupta	139.74	-
		Shri R.B. Shah	132.85	97.35
		Shri Hemal Sadiwala	20.07	16.17
	Commission	Shri Sajan Kumar Pasari	4.00	4.00
		Shri Lalit Kumar Bohania	4.00	4.00
		Shri Jugal Kishore Taparia	-	4.00
		Shri Surendra Singh Baid	4.00	4.00
		Ms. Akriti Jain	4.00	4.00
	Sitting Fees	Shri Sajan Kumar Pasari	0.70	0.50
		Shri Lalit Kumar Bohania	0.70	0.50
		Shri Jugal Kishore Taparia	-	0.50
		Shri Surendra Singh Baid	0.70	0.50
		Ms. Akriti Jain	0.70	0.50
2	Post-Employment Benefits		-	-
3	Other Long-Term Benefits	Shri Vikram Somany	21.30	16.13
		Shri Ayush Bagla	5.16	1.00
		Shri R.B. Shah	3.51	2.66
		Shri Atul Sanghvi	-	3.20
4	Termination Benefits	Shri Atul Sanghvi	108.60	-
	<b>Total</b>		<b>1,793.73</b>	<b>1,284.79</b>

39.6 Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31<sup>st</sup> March, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note – 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Overview:**

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Company's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are outlined hereunder:

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors and the Risk Management Committee. They provide principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(A) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables, advances and investments.

**(i) Trade Receivables:**

The Company extends credits to customers in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdictions and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Company generally does not hold any collateral or other credit enhancements over any of its trade receivables excepting a small amount in the nature of security deposits from its dealers, nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

**Expected Credit Loss (ECL):**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for internal and external information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
0-3 months	Nil	
3-6 months	Nil	
6-12 months	Nil	
Beyond 12 months	10 to 25	
(₹ in lakhs)		
Period	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Ageing of past dues receivables:</b>		
0-3 months	13,116.07	16,566.13
3-6 months	256.68	795.17
6-12 months	712.09	281.60
Beyond 12 months	3,603.28	3,973.99
<b>Ageing of impaired trade receivables:</b>		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months	1,279.88	945.53

**(ii) Cash and cash equivalents and short-term investments:**

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets/ (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
Financial Assets					
Trade receivables	11	16,408.24	-	-	16,408.24
Others	7,14	377.38	1,133.00	-	1,510.38
Current investments	10	52,715.60	-	-	52,715.60
Cash and cash equivalents	12	1,378.19	-	-	1,378.19
Other bank balances	13	104.43	-	-	104.43
Non-current Asset classified as held for sale	16	2,226.20	-	-	2,226.20
Total		73,210.04	1,133.00	-	74,343.04
Financial Liabilities					
Borrowings - Bank loans	22	1,920.15	-	-	1,920.15
Current payables	23,24	27,620.43	-	-	27,620.43
Non-current payables	19	-	2,702.94	-	2,702.94
Total		29,540.58	2,702.94	-	32,243.52

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets</b>					
Trade receivables	11	20,671.36	-	-	20,671.36
Others	7,14	445.24	1,330.91	-	1,776.15
Current investments	10	43,404.61	-	-	43,404.61
Cash and cash equivalents	12	710.07	-	-	710.07
Other bank balances	13	273.70	-	-	273.70
Total		65,504.98	1,330.91	-	66,835.89
<b>Financial Liabilities</b>					
Borrowings - Bank loans	21	1,242.99	-	-	1,242.99
Current payables	22,23	28,074.19	-	-	28,074.19
Non-current payables	18	-	2,749.94	-	2,749.94
Total		29,317.18	2,749.94	-	32,067.12



**(C) 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 three types of risks : foreign currency risk, interest risk and other price risk such as commodity risk.

**(i) 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 and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Company does not enter into financial instrument transactions for trading or speculative purpose.

The Company transacts business primarily in Indian Rupees, USD, Euro and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakhs)			
Particulars	Currency	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade receivables	USD	2.32	4.53
Trade payables	USD	0.32	1.42
	EUR	0.02	-
	NPR	-	2.02
	AED	0.05	0.25
Advance to suppliers	USD	0.87	0.97
	EUR	0.30	0.17
	GBP	0.04	-
Advance from customers	USD	0.59	1.60
Balance in EEFC account	USD	1.80	1.75

(in ₹)		
Currency Rate	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
USD	75.7416	73.1670
EUR	84.1158	85.8293
AED	20.6240	19.9229
GBP	99.4238	100.9569
NPR	0.6250	0.6250

Of the above foreign currency exposures, following exposures are not hedged:

(in lakhs)			
Particulars	Currency	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade receivables	USD	2.32	4.53
Trade payables	USD	0.32	1.42
	EUR	0.02	-
	NPR	-	2.02
	AED	0.05	0.25
Advance to suppliers	USD	0.87	0.97
	EUR	0.30	0.17
	GBP	0.04	-
Advance from customers	USD	0.59	1.60
Balance in EEFC account	USD	1.80	1.75

**Sensitivity Analysis:**

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in lakhs)

Particulars	Change in currency exchange rate	Effect on Profit before tax 31 <sup>st</sup> March, 2022	Effect on Profit before tax 31 <sup>st</sup> March, 2021
USD	5%	15.45	15.46
	-5%	(15.45)	(15.46)
EUR	5%	1.18	0.73
	-5%	(1.18)	(0.73)
NPR	5%	-	(0.06)
	-5%	-	0.06
AED	5%	(0.05)	(0.25)
	-5%	0.05	0.25
GBP	5%	0.20	-
	-5%	(0.20)	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

**(ii) Interest Rate Risk:**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board. However, the risk is very low due to negligible borrowings by the Company.

The Company's non-current borrowings from banks are Nil as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively. Other non-current financial liabilities have fixed rate of interest where the risk of changes in the interest rates is almost nil. As a result, the sensitivity affecting the profit before tax due to the Company's exposure to the risk of changes in market interest rates is almost nil.

**(iii) Commodity Risk:**

The Company is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Company enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

**Capital Management:**

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note 22, cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

## Note - 41. ADDITIONAL REGULATORY INFORMATION

## Ratios

Ratio	Numerator	Denominator	2021-22	2020-21
<b>Current ratio (in times)</b>	Total Current Assets	Total Current Liabilities	<b>3.02</b>	2.60
<b>Debt - Equity ratio</b>	Debt = Total Liabilities (Non-current + Current)	Total Equity	<b>0.42</b>	0.47
<b>Debt services coverage ratio (in times)*</b>	<b>Earning available for debt service</b> = Net Profit after taxes + Non cash operating expenses + Interest + Loss on sale of Fixed Assets	<b>Debt Service</b> = Interest + Lease payments	<b>13.57</b>	10.71
<b>Return on equity ratio (in %)*</b>	Net Profits after taxes	Total Equity	<b>14.85%</b>	11.59%
<b>Inventory Turnover ratio (in Times)</b>	Revenue from Operations excluding GST	Average Inventory	<b>6.30</b>	6.42
<b>Trade receivables turnover ratio (in times)**</b>	Revenue from Operations including GST	Average Trade Receivable	<b>9.14</b>	6.61
<b>Trade payable turnover ratio (in times)</b>	Purchases including GST	Average Trade Payable	<b>7.48</b>	7.03
<b>Net capital turnover ratio (in times)</b>	Revenue from Operations excluding GST	<b>Working Capital</b> = Total Current Assets - Total Current Liabilities	<b>2.10</b>	2.28
<b>Net Profit ratio (in %)</b>	Net Profits after taxes	Revenue from Operations excluding GST	<b>10.36%</b>	8.43%
<b>Return on capital employed (in %)*</b>	Profit before exceptional items, tax and finance cost	<b>Capital employed</b> = Total Equity + Non-Current Liabilities	<b>19.64%</b>	14.51%
<b>Return on investment (in %)</b>	Income generated from invested funds	Average invested funds in treasury investments	<b>5.83%</b>	6.65%

\* There has been increase in current period's profit after taxes by 47% (YOY) due to favourable market conditions which were adversely affected in FY 2020-21 due to COVID19 and owing to the disruption at the manufacturing facility for about two and half months.

\*\* Effective credit control steps including timely recoveries were taken during current period resulting in to reduction in Trade Receivables.

**Note - 42. FINANCIAL INSTRUMENTS**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments.

(₹ in lakhs)

Particulars	Carrying value		Fair value		Fair value measurement using
	As at 31 <sup>st</sup> March, 22	As at 31 <sup>st</sup> March, 21	As at 31 <sup>st</sup> March, 22	As at 31 <sup>st</sup> March, 21	
<b>Financial Assets</b>					
<b>Current</b>					
Investments (measured at fair value)	52,715.60	43,404.61	52,715.60	43,404.61	Level 1
<b>Non-current Assets classified as held for Sale</b>					
Equity Instruments in Subsidiary Company (measured at lower of carrying amount and fair value less costs to sell)	446.20	-	446.20	-	Level 3
Preference Shares (valued at fair value which is equivalent to carrying amount)	1,780.00	-	1,780.00	-	Level 3
<b>Financial assets measured at amortised cost</b>					
<b>Non-current</b>					
Investments in Subsidiaries (LLP) & Associate	1,344.33	4,709.27	1,344.33	4,709.27	Level 3
Other Investments	2,675.41	3,199.73	2,675.41	3,199.73	Level 3
Bank FDs with more than 12 months maturity	-	605.50	-	605.50	Level 3
Margin Money Deposits with a bank held as security with more than 12 months maturity	950.84	500.30	950.84	500.30	Level 3
Security Deposit	119.71	84.60	119.71	84.60	Level 3
Advance Contribution to Subsidiary	62.45	140.51	62.45	140.51	Level 3
<b>Current</b>					
Security Deposit	150.69	183.65	150.69	183.65	Level 3
Trade receivables	16,408.24	20,671.36	15,405.89	19,775.86	Level 3
Cash and cash equivalents	1,378.19	710.07	1,378.19	710.07	Level 3
Other Balances with Banks	104.43	273.70	104.43	273.70	Level 3
Insurance claims receivables	92.00	99.20	92.00	99.20	Level 3
Advances	45.27	58.68	45.27	58.68	Level 3
Interest accrued and receivable	89.42	103.71	89.42	103.71	Level 3
<b>Total</b>	<b>78,362.78</b>	<b>74,744.89</b>	<b>77,360.43</b>	<b>73,849.39</b>	
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
<b>Non-Current</b>					
Lease liabilities	1,151.99	1,022.16	1,151.99	1,022.16	Level 3
Deposits by Dealers	2,680.71	2,727.71	2,680.71	2,727.71	Level 3
Other financial liabilities	22.23	22.23	22.23	22.23	Level 3
<b>Current</b>					
Borrowings	1,920.15	1,242.99	1,920.15	1,242.99	Level 3
Lease liabilities	627.78	517.17	627.78	517.17	Level 3
Trade payables	13,767.70	14,284.56	13,767.70	14,284.56	Level 3
Unpaid dividends	103.75	107.52	103.75	107.52	Level 3
Retention money payable	175.16	175.81	175.16	175.81	Level 3
Employee related payables	3,834.78	3,039.43	3,834.78	3,039.43	Level 3
Expenses payables	9,739.04	10,466.87	9,739.04	10,466.87	Level 3
<b>Total</b>	<b>34,023.29</b>	<b>33,606.45</b>	<b>34,023.29</b>	<b>33,606.45</b>	

42.1 All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There have been no transfers between Level 2 and Level 3 during the period.

42.2 The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

42.3 The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

42.4 The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

42.5 The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

#### Note - 43. MOVEMENT IN PROVISIONS

Disclosure of Movement in Provisions during the year as per Ind AS - 37, Provisions, Contingent Liabilities and Contingent Assets :

(₹ in lakhs)				
Particulars	Balance as on 1 <sup>st</sup> April, 2021	Provided/ Transferred during the year	Paid/Adjusted during the year	Balance as on 31 <sup>st</sup> March, 2022
<b>Non-current Provisions</b>				
Accumulated leaves	606.50	73.53	110.49	569.54
Income Tax of earlier years	402.74	-	82.02	320.72
<b>Total</b>	<b>1,009.24</b>	<b>73.53</b>	<b>192.51</b>	<b>890.26</b>
<b>Current Provisions</b>				
Accumulated leaves	238.74	238.04	238.74	238.04
<b>Total</b>	<b>238.74</b>	<b>238.04</b>	<b>238.74</b>	<b>238.04</b>
<b>Grand total</b>	<b>1,247.98</b>	<b>311.57</b>	<b>431.25</b>	<b>1,128.30</b>

#### Note - 44. DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

The dues of Micro Enterprises and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(₹ in lakhs)		
Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount due to micro enterprises and small enterprises	3,678.74	3,352.03
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006".	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

#### Note - 45. COMMITMENTS AND CONTINGENCIES

##### (a) Leases

The Company has adopted Ind AS 116, effective from annual reporting period beginning 1<sup>st</sup> April, 2019 and applied the Standard to its leases, using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1<sup>st</sup> April, 2019). Changes in Lease payments during the reporting period, on account of rent concession due to COVID 19 pandemic is considered as Lease modification.



## (i) Changes in the carrying value of right-of-use assets :

(₹ in lakhs)

Particulars	Category of Right-of-use asset	
	Land	Buildings
Balance as at 1 <sup>st</sup> April, 2020	9.25	1,632.84
Additions during the year	-	346.42
Termination during the year	-	(31.54)
Depreciation	(0.59)	(632.02)
Remeasurement of lease liability due to lease modifications	-	(34.02)
Balance as at 31 <sup>st</sup> March, 2021	8.66	1,281.68
Additions during the year	-	1,028.51
Termination during the year	-	(110.13)
Depreciation	(0.60)	(670.51)
Remeasurement of lease liability due to lease modifications	-	(18.25)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>8.06</b>	<b>1,511.30</b>

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 35)

## (ii) Movement in Lease Liabilities :

(₹ in lakhs)

Particulars	Buildings	
	2021-22	2020-21
<b>Opening Balance</b>	<b>1,539.33</b>	1,814.14
Finance cost accrued during the year	193.77	170.79
Additions during the year	1,028.51	346.42
Termination during the year	(140.96)	(28.23)
Payment of lease liabilities	(822.63)	(729.77)
Remeasurement of lease liability due to Lease modifications	(18.25)	(34.02)
<b>Closing Balance</b>	<b>1,779.77</b>	1,539.33

## (iii) Break-up of current and non-current lease liabilities :

(₹ in lakhs)

Particulars	Buildings	
	2021-22	2020-21
Non-current lease liabilities	1,151.99	1,022.16
Current lease liabilities	627.78	517.17
<b>Total</b>	<b>1,779.77</b>	1,539.33

## (iv) Contractual maturities of lease liabilities on discounted basis.

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Not later than one year	627.78	517.17
Later than one year but not later than five years	1,121.25	886.46
Later than five years	30.74	135.70
<b>Total</b>	<b>1,779.77</b>	1,539.33

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
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## (b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	170.82	94.37
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## (c) Contingent Liabilities

Claims against the Company not acknowledged as debts (Net of Payments)	765.13	70.51
Letters of Credit (Foreign & Inland) opened and guarantees given (Net)	1,751.41	4,160.57

## Note - 46. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

## For Subsidiaries

(₹ in lakhs)

Particulars	Anjani Tiles Limited		Packcart Packaging LLP		Race Polymer Arts LLP	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investments*</b>						
At the beginning of the year	3,443.00	2,933.00	90.78	90.78	369.49	369.49
Addition during the year	-	510.00	-	-	78.06	-
Transferred during the year	(643.00)	-	-	-	-	-
Transferred to Non-current Assets classified as held for Sale during the year (Refer Note No. 16)	(2,800.00)	-	-	-	-	-
<b>At the end of the year</b>	-	3,443.00	90.78	90.78	447.55	369.49
<b>Loans &amp; advances**</b>						
At the beginning of the year	1,170.00	2,394.21	-	-	140.51	140.51
Addition during the year	530.00	-	-	-	-	-
Recovered during the year	(1,700.00)	(1,224.21)	-	-	(78.06)	-
<b>At the end of the year</b>	-	1,170.00	-	-	62.45	140.51
<b>Non-current Asset classified as held for Sale (Refer Note. No. 16)</b>						
At the beginning of the year	-	-	-	-	-	-
Investment classified as held for Sale during the year	2,800.00	-	-	-	-	-
Impairment loss	(573.80)	-	-	-	-	-
<b>At the end of the year</b>	2,226.20	-	-	-	-	-

## For Associates

Particulars	Milo Tile LLP		Cera Sanitaryware Trading LLC	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investments*</b>				
At the beginning of the year	806.00	806.00	-	32.10
Addition during the year	-	-	-	-
Impairment Loss (Refer Notes no. 6 & 36)	-	-	-	(32.10)
<b>At the end of the year</b>	806.00	806.00	-	-
<b>Loans &amp; advances**</b>				
At the beginning of the year	70.80	66.45	-	-
Addition during the year	-	4.35	-	-
Recovered during the year	-	-	-	-
<b>At the end of the year</b>	70.80	70.80	-	-

\* The company has paid amounts towards its Capital Contribution.

\*\* The company has given advances for following purposes:

- Advance capital contribution.
- Towards future purchases.

**Note - 47. NOTE ON CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms of the provisions of the said Act, the Company was required to spend ₹ 289.56 lakhs (previous year ₹ 315.10 Lakhs) towards CSR activities during the year ended 31<sup>st</sup> March, 2022. The Company has spent following amounts towards CSR activities for the benefit of general public and in the neighbourhood of the manufacturing facilities of the Company.

		(₹ in lakhs)	
Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Prescribed CSR Expenditure (2% of Average Net Profits of the three immediately preceeding financial years)	289.56	315.10
2	Add : Unspent amount of previous year	-	-
	<b>Total amount to be spent for the financial year</b>	<b>289.56</b>	<b>315.10</b>
3	Details of amounts spent towards CSR activities during the financial year 2021-22		
a	Promoting Education and enhancing vocational skills	38.36	235.63
b	Eradicating hunger, poverty, Malnutrition, promoting health care and sanitation	204.34	37.88
c	Contribution to PM Cares Fund	-	24.69
d	Rural Development	18.57	16.37
e	Protection of National Heritage Art & Culture	-	2.00
f	Disaster management, including relief, rehabilitation and reconstruction activities.	29.76	-
	<b>Total Amount spent during the financial year</b>	<b>291.03</b>	<b>316.57</b>
4	Amount unspent, if any.	-	-

**Note - 48. RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development expenditure incurred is set out below

		(₹ in lakhs)	
Sr. No.	Particulars	2021-22	2020-21
1	Capital expenditure	1.44	1.72
2	Revenue expenditure	188.94	123.42

**Note - 49. DEFICIT DUE TO SURRENDER OF EXEMPTION GRANTED TO PF TRUST**

- The Company was granted Exemption for certain employees under Para 27 of the Employees' Provident Fund Scheme, 1952. (EPF Scheme, 1952).
- Because of drastic reduction in rate of return on investments as compared to the rate declared by the Government for employees Provident Fund in last 3 to 4 years, the Company had to make additional Contribution / provision for the deficit sustained, as a legal or constructive obligation. Further, credit risk, interest risk, default risk also increased in the recent past in Bond market.
- The Company had therefore submitted application dated 14<sup>th</sup> February, 2022 for surrender of exemption granted w.e.f. 1<sup>st</sup> March, 2022 pursuant to resolution passed by the Board of Directors of the Company on 26<sup>th</sup> October, 2021, followed by resolution passed by the Board of Trustees of Madhusudan Provident Fund Institution (MPFI) on 28<sup>th</sup> November, 2021.
- By an Order dated 9<sup>th</sup> March, 2022, the Regional Provident Fund Commissioner withdrew the exemption granted under Para 27 of the Employees' Provident Scheme (EPF Scheme) with effect from 1<sup>st</sup> March, 2022. The Trust was also required to transfer the Corpus in the name of Central Board of Trustees, EPFO and any loss incurred by MPFI was borne by the Company as per the Order of RPFC. The Company was also directed to comply as an un-exempted establishment w.e.f. 1<sup>st</sup> March, 2022. In this process, the Company incurred loss of ₹ 328.47 lakhs on liquidation of the securities comprised in the Corpus of MPFI which is recognised in Note No. 36.

**Note - 50. OPERATING SEGMENTS**

The Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segments as required under IND AS 108 "Operating Segment". The Revenue from transactions with the single external customer amounting to 10% or more of the Company's Revenue is Nil.

**Note - 51**

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

**Note - 52. DIVIDENDS PAID AND PROPOSED**

		(₹ in lakhs)	
Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
A.	<b>Declared and paid during the year:</b>		
	Final dividend for FY 2020-21 : ₹ 13 per share (FY 2019-20: ₹ Nil per share)	1,690.76	-
B.	<b>Proposed for approval at the ensuing annual general meeting (not recognised as a liability):</b>		
	Final dividend for FY 2021-22: ₹ 20 per share (FY 2020-21: ₹ 13 per share)	2,601.17	1,690.76
	Special dividend for FY 2021-22: ₹ 15 per share (FY 2020-21: ₹ Nil per share)	1,950.88	-

**Note - 53.**

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1<sup>st</sup> July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with relevant Indian Accounting Standard and Schedule III to the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue from Operations. Revenue for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are net of GST. The following additional information is being provided to facilitate such understanding.

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Revenue from Operations (Gross)	1,69,479.97	1,41,409.11
Less : GST Recovered	25,304.40	21,238.44
Revenue from Operations (Net)	1,44,175.57	1,20,170.67

**Note - 54.**

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants

(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**

CFO & COO

(Fin. & Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

**Deepshikha Khaitan**

**Anupam Gupta**

**Ayush Bagla**

**Sajan Kumar Pasari**

**Lalit Kumar Bohania**

**Akriti Jain**

(DIN:00048827) Chairman and Managing Director

(DIN:03365068) Joint Managing Director

(DIN:09290890) Executive Director (Technical)

(DIN:01211591) Executive Director

(DIN:00370738) Director

(DIN:00235869) Director

(DIN:08259413) Director

## Independent Auditor's Report

To,  
The Members of Cera Sanitaryware Limited

**Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **CERA SANITARYWARE LIMITED** (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the 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 their consolidated state of affairs (consolidated financial position) of the Group as at 31<sup>st</sup> March, 2022, the consolidated profit (consolidated financial performance including consolidated other comprehensive income), consolidated changes in equity and their consolidated cash flows 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 ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provision of the Act and the Rules made thereunder, and we have fulfilled our 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 opinion on consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. We have determined the matter described below as the key audit matter to be communicated in our report.

Sr. No	Allowance for Expected Credit Losses (ECL) in respect of Trade Receivables and Capital Advances
1.	<p>The Group has made provision for Expected Credit Losses in respect of trade receivables aggregating to ₹ 1,279.88 lakhs and that of capital advances aggregating to ₹ 328.24 lakhs up to 31<sup>st</sup> March, 2022 as against the gross doubtful / litigated amounts in respect of trade receivables of ₹ 2,282.23 lakhs and capital advances of ₹ 468.91 lakhs. These are based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to entities the Group deals with. In calculating expected credit loss, the Group has also considered credit reports and other related 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. The Group has also determined allowance for ECL based on the information available with the Legal department of the respective entities in the Group.</p> <p>We identified allowance for credit losses as a key audit matter because the Group exercises significant judgement in calculating the expected credit losses.</p> <p>Refer Notes No. 8, 11, 38 and 42 to the consolidated financial statements.</p>
	<b>How our audit addressed the Key Audit Matter</b>
	<p>Our Audit procedures related to the allowance for expected credit losses for trade receivables and capital advances included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ul style="list-style-type: none"> <li>➤ Development of the methodology and model for the allowance for credit losses, including consideration of the current and estimated future economic conditions;</li> <li>➤ Completeness and accuracy of information used in the estimation of probability of default; and</li> <li>➤ Computation of the allowance for credit losses.</li> <li>➤ For a few customers, we tested the input data such as credit reports, past history of dealings with them and other credit related information used in estimating the probability of default by comparing them to external and internal source of information.</li> <li>➤ We carried out detailed analysis of balances of trade receivables and capital advances, (i) where no legal actions have been taken so far by the Group and the reasons therefor, (ii) where legal actions have been taken and the allowance for ECL has been partially / fully made and considered the reasons therefor and (iii) where legal actions have been taken but no allowance for ECL has been made and the reasons therefor.</li> <li>➤ Assessed the adequacy of allowance for ECL recorded and evaluated disclosures in the consolidated financial statements in relation to these items.</li> <li>➤ Verified Balance Confirmations directly received by us from few selected trade receivables of the Holding Company and also examined reconciliations / discrepancies, if any.</li> <li>➤ We also reviewed the internal auditor's report for the history and current scenario of a few customers of the Holding Company.</li> <li>➤ We carried out analysis of those trade receivables where there is significant increase in credit risk and also reviewed the ageing of the trade receivables pertaining to current and immediately preceding years.</li> </ul>



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

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

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

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

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

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and the consolidated cash flows of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. The respective Management and Board of Directors of the entities included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Management and the Board of Directors of the entities included in the Group and of its associate, are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate are also responsible for overseeing the financial reporting process of each entity.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the entity has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the management's and Board of Directors' 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 and its associate 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 results 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 and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group and its associate to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance

of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

#### Other Matters

- 1) We draw attention to Note No. 16.4 to the consolidated audited financial results which describe the transfer / divestment of entire stake of the Holding Company in Anjani Tiles Limited, a subsidiary of the Holding Company, consisting of Equity and Preference Shares as under:
  - 16.4 (a) Pursuant to the Resolution passed at the Board Meeting of the Holding Company held on 5<sup>th</sup> August, 2021 for consideration of the proposal and in principle approval for divestment of the Holding Company's entire stake in Anjani Tiles Limited, a Memorandum of Understanding (MOU) was executed on 17<sup>th</sup> August, 2021 by and amongst Cera Sanitaryware Limited (Cera), Anjani Vishnu Holdings Ltd (AVHL) (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL) (Subsidiary Company) for the transfer / divestment of entire stake in Anjani Tiles Limited, consisting of 1,02,00,000 Equity shares of ₹ 10/- each and 2,42,30,000 1% Cumulative Redeemable Preference Shares of ₹ 10/- each on a fully diluted basis, for a total consideration of ₹ 2,869.20 Lakhs.
  - (b) Cera Sanitaryware Limited (Cera), AVHL and ATL also entered in to Share Purchase Agreement (SPA) dated 26<sup>th</sup> August, 2021 pursuant to which the Cera agreed to sell all the Equity and Preference Shares held by it in ATL to AVHL.
  - (c) Total consideration as referred above, will be received by the Holding Company in one or more tranches, beginning from 30<sup>th</sup> September, 2021 and completing on 31<sup>st</sup> March, 2023 through an escrow mechanism and as per the Payment Schedule set out in the MOU. Accordingly, the first tranche of ₹ 643.00 Lakhs has been received by the Holding Company on 28<sup>th</sup> September, 2021 from the Acquirer Company and 64,30,000 Preference Shares of ATL have been transferred (off market) to AVHL on 29<sup>th</sup> September, 2021.
  - (d) Further, pursuant to the MOU and SPA, the Share Escrow Agreement was executed by the Cera, AVHL and ATL with Federal Bank Ltd. (Escrow Agent) jointly on 23<sup>rd</sup> November, 2021. Both Cera and AVHL have transferred their respective entire Equity shareholding and their respective balance Preference shareholding to the Escrow Account in January, 2022 with lien marked in favour of the Escrow Agent.
  - (e) Assets and Liabilities of Anjani Tiles Limited have been presented as Assets classified as Held for Sale & Liabilities directly associated with assets classified as held for sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard - 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impairment loss of ₹ 573.80 Lakhs on Equity Shares (Preference Shares to be transferred at fair value which is equivalent to carrying amount) due to above arrangements has been recognised in the Statement of Profit and Loss as Exceptional Item.
- 2) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 12,734.03 lakhs and net assets of ₹ 1,589.52 lakhs as at 31<sup>st</sup> March, 2022, total revenues of ₹ 10,192.26 lakhs and net cash outflow of ₹ 7.68 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 ₹ 0.76 lakhs for the year ended 31<sup>st</sup> March, 2022, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements of 1 subsidiary and 1 associate have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 1 subsidiary and 1 associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

(1) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of one subsidiary, we report, to the extent applicable, 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 and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group covered under the Act, are disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group 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 Group's internal financial controls with reference to consolidated financial statements.
- (g) With respect to the matter to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended :

In our opinion and according to information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary which is incorporated in India, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary which is incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (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 Auditor's) Rules, 2014 as amended, in our opinion and 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 on separate financial statements of the subsidiaries:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2022 on the consolidated financial position of the Group as detailed in Note No.46 to the consolidated financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses 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 Holding Company.
  - iv.
    - (a) The respective Managements of the Holding Company and its subsidiary which is company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The respective Managements of the Holding Company and its subsidiary which is company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v.
    - (a) The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Companies Act, 2013.

- (b) The Board of Directors of the Holding Company have proposed final dividend and special dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act as applicable.
- (2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements.

**FOR N. M. NAGRI & CO.**

Chartered Accountants

Firm Regn. No.106792W

**N. M. NAGRI**

PROPRIETOR

Membership No. 016992

**UDIN: 22016992AIRSER3334**

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022

### **ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2022)

#### **Independent Auditor's Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

##### **Opinion**

In conjunction with our audit of the consolidated financial statements of **CERA SANITARYWARE LIMITED** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "Group") as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company which is a company incorporated in India, as of that date.

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

##### **Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors of the Holding Company and its subsidiary company which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the consolidated financial statements 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 ("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 the Company's 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.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company as aforesaid, 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. 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 with reference to the consolidated financial statements were 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the consolidated financial statements of the Holding Company and its Subsidiary Company, as aforesaid.

##### **Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements**

A Company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in

## **Consolidated Financial Statements** **CERA** **Cera Sanitaryware Limited**

accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the consolidated financial statements includes those policies and procedures that:

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

### **Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to 1 subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors on the audit of such company. Our opinion is not modified in respect of this matter.

**FOR N. M. NAGRI & CO.**

Chartered Accountants

Firm Regn. No.106792W

**N. M. NAGRI**

PROPRIETOR

Membership No. 016992

**UDIN: 22016992AIRSER3334**

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022



Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	4	32,067.06	40,093.14
(b) Capital work-in-progress	4	68.46	133.42
(c) Right-of-use assets	46(a)	1,582.80	1,377.57
(d) Other Intangible Assets	5	46.35	76.49
(e) Intangible Assets under development	5	-	-
(f) Financial Assets			
(i) Investments			
- Investments in Associates	6	822.56	821.80
- Other Investments	6	2,675.41	3,199.73
(ii) Other Financial Assets	7	1,096.23	1,412.22
(g) Other Non-current Assets	8	531.11	654.84
<b>(2) Current Assets</b>			
(a) Inventories	9	29,374.86	19,966.11
(b) Financial Assets			
(i) Investments	10	52,715.60	43,404.61
(ii) Trade Receivables	11	16,476.76	20,946.70
(iii) Cash and Cash Equivalents	12	1,389.63	767.33
(iv) Other Balances with Banks	13	104.43	273.70
(v) Other Financial Assets	14	477.27	2,657.71
(c) Other Current Assets	15	3,011.61	1,980.00
<b>(3) Assets classified as held for Sale</b>	16.1	12,733.01	-
<b>Total Assets</b>		<b>1,55,173.15</b>	<b>1,37,765.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	650.29	650.29
(b) Other Equity	18.1	1,00,864.88	86,523.48
Equity attributable to Owners of the Company		1,01,515.17	87,173.77
Non - Controlling Interests	18.2	1,423.25	1,171.90
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	554.43	4,261.51
(ii) Lease Liabilities	46(a)	1,200.19	1,095.44
(iii) Other Financial Liabilities	20	2,702.94	2,749.94
(b) Provisions	21	899.39	1,025.31
(c) Deferred Tax Liabilities (Net)	22	3,541.57	3,025.24
(d) Other Non-current Liabilities	23	11.08	12.57
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	2,113.58	4,107.11
(ii) Lease Liabilities	46(a)	652.86	538.79
(iii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	25	2,998.08	2,846.86
- total outstanding dues of creditors other than micro enterprises and small enterprises	25	10,349.14	12,689.03
(iv) Other Financial Liabilities	26	13,902.38	13,839.55
(b) Other Current Liabilities	27	3,017.06	2,540.42
(c) Provisions	28	242.86	248.48
(d) Current Tax Liabilities (Net)	29	684.66	439.45
<b>(3) Liabilities directly associated with assets classified as held for Sale</b>	16.1	9,364.51	-
<b>Total Equity and Liabilities</b>		<b>1,55,173.15</b>	<b>1,37,765.37</b>

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113

**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Anupam Gupta** (DIN:09290890) Executive Director (Technical)  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director

**CERA** **Cera Sanitaryware Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022**

(₹ in lakhs except for per equity share data)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue from Operations</b>	30	<b>1,44,583.00</b>	1,22,432.68
<b>Other Income</b>	31	<b>2,364.59</b>	2,516.19
<b>Total Income</b>		<b>1,46,947.59</b>	1,24,948.87
<b>EXPENSES</b>			
Cost of Materials Consumed	32	21,399.91	12,722.11
Purchases of Stock-in-Trade	33	57,312.24	45,354.23
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	34	(10,353.73)	4,603.61
Employee Benefits Expense	35	19,361.60	15,367.88
Finance Costs	36	528.15	972.86
Depreciation and Amortization Expense	37	3,240.74	3,957.09
Other Expenses	38	33,989.57	28,579.12
<b>Total Expenses</b>		<b>1,25,478.48</b>	1,11,556.90
<b>Profit before exceptional items and tax</b>		<b>21,469.11</b>	13,391.97
Exceptional Items	16.2	(573.80)	-
<b>Profit before tax</b>		<b>20,895.31</b>	13,391.97
<b>Tax Expense :</b>			
(1) Current Tax	39	5,391.30	3,366.04
(2) Deferred Tax		209.53	35.26
<b>Total Tax Expense</b>		<b>5,600.83</b>	3,401.30
<b>Profit after tax</b>		<b>15,294.48</b>	9,990.67
<b>Add: Share of Profit / (Loss) from Associates</b>		<b>0.76</b>	4.76
<b>Profit for the year</b>		<b>15,295.24</b>	9,995.43
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit plan		(146.77)	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		36.84	(7.57)
<b>Total Other Comprehensive Income for the year (Net of Tax)</b>		<b>(109.93)</b>	22.13
<b>Total Comprehensive Income for the year</b>		<b>15,185.31</b>	10,017.56
<b>Profit for the year attributable to :</b>			
- Owners of the Company		15,109.58	10,077.34
- Non-Controlling Interests		185.66	(81.91)
		<b>15,295.24</b>	9,995.43
<b>Other Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		(110.25)	21.30
- Non-Controlling Interests		0.32	0.83
		<b>(109.93)</b>	22.13
<b>Total Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		14,999.33	10,098.64
- Non-Controlling Interests		185.98	(81.08)
		<b>15,185.31</b>	10,017.56
<b>Earnings per equity share of face value of ₹ 5/- each</b>			
(1) Basic	40	116.18	77.48
(2) Diluted	40	116.18	77.48
Weighted average number of equity shares		<b>1,30,05,874</b>	1,30,05,874

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113

**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
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**Ayush Bagla** (DIN:01211591) Executive Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(₹ in lakhs)

Particulars	Balance as at 1 <sup>st</sup> April, 2021	Changes in equity share capital due to prior period items	Restated balance as at 1 <sup>st</sup> April, 2021	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2022			
A. EQUITY SHARE CAPITAL								
Equity Share Capital	650.29	-	650.29	-	650.29			
Particulars	Balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital due to prior period items	Restated balance as at 1 <sup>st</sup> April, 2020	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2021			
Equity Share Capital	650.29	-	650.29	-	650.29			
Particulars	Reserves & Surplus			Total Other Equity	Non- Controlling Interests	Total		
	Securities Premium	General Reserve	Retained Earnings					
	A	B	C	D	E	F (A+B+C+D+E)	G	H (F+G)
B. OTHER EQUITY								
Balance as at 1 <sup>st</sup> April, 2021	8,095.94	49,000.47	29,864.64	(437.57)	-	86,523.48	1,171.90	87,695.38
Profit for the Year (A)	-	-	15,109.58	-	-	15,109.58	185.66	15,295.24
Other Comprehensive Income (B)	-	-	-	(110.25)	-	(110.25)	0.32	(109.93)
Total Comprehensive Income for the Year (A + B)	-	-	15,109.58	(110.25)	-	14,999.33	185.98	15,185.31
Transferred from Statement of Profit and Loss	-	3,439.58	(3,439.58)	-	-	-	-	-
Dividend on Equity Shares (F.Y. 2020-21)	-	-	(1,690.76)	-	-	(1,690.76)	-	(1,690.76)
Other Changes in Retained Earnings (Refer Note No 18.1)	-	-	11.36	-	-	11.36	-	11.36
Other Changes in Other Comprehensive Income (Refer Note No 18.1)	-	-	-	1.47	-	1.47	-	1.47
Group's Share in Equity of Subsidiary Company (Classified as held for Sale)	-	-	-	-	1,020.00	1,020.00	-	1,020.00
Net Increase / Changes in Non Controlling Interest	-	-	-	-	-	-	65.37	65.37
Balance as at 31 <sup>st</sup> March, 2022	8,095.94	52,440.05	39,855.24	(546.35)	1,020.00	1,00,864.88	1,423.25	1,02,288.13
Balance as at 1 <sup>st</sup> April, 2020	8,095.94	43,540.01	25,246.83	(458.87)	-	76,423.91	767.88	77,191.79
Profit for the Year (C)	-	-	10,077.34	-	-	10,077.34	(81.91)	9,995.43
Other Comprehensive Income (D)	-	-	-	21.30	-	21.30	0.83	22.13
Total Comprehensive Income for the Year (C + D)	-	-	10,077.34	21.30	-	10,098.64	(81.08)	10,017.56
Adjustment of earlier year	-	-	0.93	-	-	0.93	-	0.93
Distribution of Profit (Packcart Packaging LLP)	-	-	-	-	-	-	(4.90)	(4.90)
Transferred from Statement of Profit and Loss	-	5,460.46	(5,460.46)	-	-	-	-	-
Increase in Non Controlling Interest	-	-	-	-	-	-	490.00	490.00
Balance as at 31 <sup>st</sup> March, 2021	8,095.94	49,000.47	29,864.64	(437.57)	-	86,523.48	1,171.90	87,695.38
The accompanying Notes 1 to 54 are integral part of these Financial Statements.								

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

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CFO & COO  
(Fin. & Comm.)  
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**Hemal Sadiwala**  
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**Akriti Jain** (DIN:08259413) Director

**Consolidated Financial Statements** **CERA** **Cera Sanitaryware Limited**

**Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022**

(₹ In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹	₹
<b>A. Cash flows from Operating activities</b>		
<b>Net Profit before tax</b>	<b>20,895.31</b>	<b>13,391.97</b>
<b>Adjustments for :</b>		
Depreciation & Amortization	3,240.74	3,957.09
Depreciation of Subsidiary (Classified as held for Sale)	468.63	-
Allowance for expected credit loss - Trade Receivables	391.96	336.07
Allowance for expected credit loss - Capital Advance	117.23	117.23
Impairment Loss on Investment	573.80	-
Amortisation of Prepaid Rentals	14.44	13.39
Bad Debts	-	16.00
Finance Cost (Other than Loss on Foreign Exchange Fluctuations)	528.15	967.67
Interest on Security Deposit (Non Cash)	(16.60)	(14.23)
Other Interest Received	(309.03)	(303.30)
Foreign Exchange Fluctuations (Income) / Loss (Net)	6.20	7.22
Profit on Sale of Investments	(93.01)	(63.99)
Net Gain on Fair Valuation of Investments in Mutual Funds	(1,731.68)	(1,648.46)
Liabilities & Provisions no longer required, written back	(53.36)	(115.26)
Loss / (Gain) on Foreign Currency Translation (Net)	-	5.19
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	21.92	(30.16)
Deferred Income on Capital Subsidy	(1.49)	(1.49)
Subsidy Receivable	(98.79)	-
Loss / (Gain) on Termination of Lease	(30.83)	(32.03)
Profit before tax of Anjani Tiles Ltd	578.45	-
(Subsidiary classified as held for Sale)		
Finance Cost of Anjani Tiles Ltd	326.42	-
(Subsidiary classified as held for Sale)		
	<b>3,933.15</b>	<b>3,210.94</b>
<b>Operating profit before working capital changes</b>	<b>24,828.46</b>	<b>16,602.91</b>
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in Inventories	(11,265.72)	4,331.91
(Increase)/Decrease in Trade Receivables	3,874.87	986.03
(Increase)/Decrease in Other Financial Assets	66.30	(291.72)
(Increase)/Decrease in Other Assets	(2,140.22)	1,985.37
Increase/(Decrease) in Trade Payable	(868.02)	6,004.50
Increase/(Decrease) in Other Financial Liabilities	68.89	(597.02)
Increase/(Decrease) in Provisions	(260.10)	(66.83)
Increase/(Decrease) in Other Liabilities	641.36	807.60
	<b>(9,882.64)</b>	<b>13,159.84</b>
<b>Cash generated from operations</b>	<b>14,945.82</b>	<b>29,762.75</b>
Income Taxes paid	(5,147.62)	(2,962.51)
<b>Net cash generated by Operating activities (Total-A)</b>	<b>9,798.20</b>	<b>26,800.24</b>
<b>B. Cash flow from Investing activities</b>		
Payments for Property, Plant and Equipments,	(1,964.61)	(1,441.53)
Capital Work-in-progress & Capital Advances		
Payments for Computer Software	(20.45)	(24.14)
Proceeds from sale of Property, Plant and Equipments & Intangible Assets	163.11	62.53
Payments for purchase of Debentures	-	(1,221.57)
Proceeds from redemption of Debentures	-	1,371.24
Proceeds / (Payments) from Fixed Deposit	320.47	(253.07)
Payments for purchase of Mutual Funds	(26,285.88)	(39,882.19)
Proceeds from sale of Mutual Funds	18,799.58	17,138.68
Payments for purchase of Bonds	-	(307.22)
Proceeds from redemption of Bonds	514.03	20.96
Interest Received	319.30	303.30
<b>Net cash used in Investing activities (Total-B)</b>	<b>(8,154.45)</b>	<b>(24,233.01)</b>

(₹ In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	₹	₹
<b>C. Cash flow from Financing activities</b>		
Proceed from Issue of Share Capital / Partner Contribution	75.00	490.00
Payment of Lease Liabilities	(853.50)	(756.72)
Increase in Preference Share Capital of Anjani Tiles Ltd	643.00	-
Proceeds / (Repayment) of Long Term Borrowings (Net)	1,554.53	248.34
Proceeds / (Repayment) of Short Term Borrowings (Net)	(60.87)	(1,073.86)
Dividend on Equity Shares paid	(1,690.76)	-
Distribution of Profit (Packart Packaging LLP)	(19.60)	(4.90)
Finance Cost (Other than Non Cash)	(325.12)	(786.06)
Interest & other Borrowings Charges paid of Anjani Tiles Ltd (Subsidiary classified as held for Sale)	(320.60)	-
<b>Net cash used in Financing activities (Total-C)</b>	<b>(997.92)</b>	<b>(1,883.20)</b>
<b>Net increase in Cash &amp; cash equivalents (A+B+C)</b>	<b>645.83</b>	<b>684.03</b>
<b>Cash &amp; cash equivalent - Opening Balance</b>	<b>767.33</b>	<b>83.30</b>
<b>Cash &amp; cash equivalent - Closing Balance (Notes 12 &amp; 16.1)</b>	<b>1,413.16</b>	<b>767.33</b>

**Notes to Cash Flow Statement**

- Components of Cash & cash equivalents

Balances with banks	205.86	752.38
Cash on Hand	7.23	14.95
Bank FDs with original maturity of less than 3 months	1,200.07	-
<b>Cash &amp; cash equivalents considered in Cash Flow Statement</b>	<b>1,413.16</b>	<b>767.33</b>
- The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.
- Reconciliation of Liabilities arising from Financing activities

(₹ In lakhs)

Particulars	Outstanding as at 1 <sup>st</sup> April, 2021	Cash Flows	Non-Cash changes	Outstanding as at 31 <sup>st</sup> March, 2022
<b>Long Term Borrowings :</b>				
Term Loan from Bank (Current + Non Current)	3,266.18	1,554.53	-	4,820.71
Preference Shares Capital	2,077.00	643.00	-	2,720.00
Short Term Borrowings	3,025.44	(60.87)	-	2,964.57
Lease Liabilities	1,634.23	(853.50)	1,072.32	1,853.05
<b>Total Liabilities from Financing activities</b>	<b>10,002.85</b>	<b>1,283.16</b>	<b>1,072.32</b>	<b>12,358.33</b>

**Significant Accounting Policies****Note 3.7**

The accompanying Notes 1 to 54 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Anupam Gupta** (DIN:09290890) Executive Director (Technical)  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director



## Significant Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### 1. Corporate Information

Cera Sanitaryware Limited (the "Parent Company") is a public limited company domiciled in India having its registered office situated at 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat, India. The Company was incorporated on 17<sup>th</sup> July, 1998, under the provisions of the Companies Act, 1956 applicable in India and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is engaged in the business of manufacturing, selling and trading of building products and is having non-conventional wind & solar power for captive use in the State of Gujarat.

The Consolidated Financial Statements include the consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and consolidated Cash Flow Statement of the Parent Company and its under mentioned subsidiaries (hereinafter referred as the 'Group').

Company / Firm	Date of shareholding / membership	Country of incorporation	% of shareholding
Anjani Tiles Limited(As per Ind AS -105)	23 <sup>rd</sup> November, 2015	India	51%
Packcart Packaging LLP	24 <sup>th</sup> June, 2016	India	51%
Race Polymer Arts LLP	09 <sup>th</sup> May, 2018	India	51%

### 2. Basis of Preparation

#### 2.1 Statement of Compliance with Ind AS.

The Consolidated Financial Statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the subsequent amendments from time to time notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These Consolidated Financial Statements of the Group as at and for the year ended 31<sup>st</sup> March, 2022 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 10<sup>th</sup> May, 2022.

#### 2.2 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also a functional currency. All the values have been rounded off to the nearest lakh, unless otherwise indicated.

#### 2.3 Basis of Measurement

These Consolidated Financial Statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities (including Derivative Instruments)	Fair Value
Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale	Lower of carrying amount and fair value less costs to sell

#### 2.4 Basis of consolidation

(i) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) The Consolidated Financial Statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profit/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The Consolidated Financial Statements have been presented to extent possible, in a same manner as Parent Company's Standalone Financial Statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

(iii) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

#### 2.5 Investments in Joint Venture and Associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant

influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Consolidated Statement of Profit and Loss.

When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long term interest 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 recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint venture.

### 3. Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### (a) Tangible Assets

###### [i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 "Revenue from Contracts with Customers"

###### [ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

###### [iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

###### [iv] Research and Development Cost

Research and Development Costs that are in the nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

###### [v] Depreciation / Amortization

Depreciation is calculated on cost of items of property plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery, electric plant & installation and dies & moulds and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on external / internal technical evaluation as under:

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Dies and Moulds	3 years
Other Buildings on leased premises	10 years

The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Parent Company's Plant and Equipments are considered on the basis of continuous process plant.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (upto) the date on which asset is ready for use (disposed of).

**(b) Capital work-in-progress**

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

**(c) Intangible Assets****[i] Initial Recognition and Classification**

Intangible assets including those acquired by the Parent Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**[ii] Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

**[iii] Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the written down value method and is included in depreciation and amortisation expense in Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**[iv] Derecognition**

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

**[v] Intangible Assets under Development**

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under Development"

**(d) Impairment of Non Financial Assets**

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.2 Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

**3.3 Operating Cycle**

Based on the nature of products/activities of the Group and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Group has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3.4 Current versus Non-Current Classification**

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset / liability is treated as current when it is:-

- \* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
- \* Held primarily for the purpose of trading.
- \* Expected to be realised / settled within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**3.5 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess / shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

### 3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### 3.7 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items 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.

### 3.8 Provisions, Contingent Liabilities and Contingent Assets

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- \* a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- \* a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

### 3.9 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group 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.

### 3.10 Foreign Currency Transactions and Translations

#### Initial Recognition

The Group financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

In case of advance receipts / payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

#### Measurement at the Balance Sheet Date

Foreign Currency monetary items of the Group, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Group monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

### 3.11 Revenue from Contracts with Customers

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Further, the Group evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

#### Sale of Goods

Most of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

As per Ind AS 115, the Group determines whether there is a significant financing component in its contracts. However, the Group has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the group does not account for a financing component. No long-term advances from customers are generally received by the Group.

The Group provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Retrospective volume rebates give rise to variable consideration. To estimate the variable consideration, the group considers that the most likely amount method better predicts the amount of variable consideration.

The Group provides for warranties for general repairs and replacement which will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

#### Rendering of Services

The Parent Company is rendering after sales services for its sold products. The after sales services is rendered against independent contracts with customers or against assurance type warranty for goods sold. Revenue from sale of services is recognised at an amount entitled in exchange for transferring services at a point in time to a customer.

#### Interest, Dividends and Other Income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the unconditional right to receive payment is established. Other income is recognised on accrual basis except where the receipt of income is uncertain.

### 3.12 Exceptional Items

An item of income or expense which by its size, nature, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed as such in the financial statements.

### 3.13 Leases

The Group's lease asset classes primarily consist of leases for land and buildings. 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 1<sup>st</sup> April, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

#### 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. 45, 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 recognised 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 recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**3.14 Employee Benefits**

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

**Defined Contribution Plans**

The Group contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Group has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

**Defined Benefit Plans**

The Parent Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

**Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**Long-term Employee Benefits**

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

**3.15 Taxes on Income**

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

**(a) Current Tax**

Current income tax assets and / or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**(b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3.16 Government Grants

Government Grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the condition associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of assets.
- In case of grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss on systematic basis in the periods in which the expenses are recognized.

### 3.17 Equity, Reserves and Dividend Payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution (including interim dividend) to equity shareholders is accounted for in the year of actual distribution.

### 3.18 Significant Judgments, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgments

In the process of applying the Group accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### 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. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (a) Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate

valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) **Estimation of Defined Benefit Obligations**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) **Estimation of Current Tax and Deferred Tax**

Management judgment is required for the calculation of provision for income – taxes and deferred tax assets and liabilities. The Group reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

(e) **Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) **Impairment of Investments in Joint Ventures and Associates**

The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the estimated recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### 3.19 Fair Value Measurement

The Group measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- \* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- \* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- \* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.20 Financial Instruments

#### I. Financial Assets

(a) **Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

(b) **Subsequent Measurement**

[i] **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

[ii] **Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

**(iii) Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

**(c) Impairment of Financial Assets**

The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(d) Derecognition of Financial Assets**

A financial asset is derecognised when:

- \* The Group has transferred the right to receive cash flows from the financial assets or
- \* Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group shall continue to recognise the financial asset.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial assets. Where the Group retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**II. Financial Liabilities****Initial Recognition and Subsequent Measurement**

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**III. Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**IV. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.21 Non-current Assets classified as held for Sale**

Non-current assets (or disposal group) are classified as held for sale if the carrying amount of assets will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets (or disposal group) are classified as held for sale, when the asset (or disposal group) is available for immediate sale in its present condition and its sale must be highly probable. For the sale to be highly probable, the management must be committed to a plan to sell the asset (or disposal group) and an active programme to locate buyer and complete plan must have been initiated. In addition, the sale should be completed within 1 year from the date of classification.

Upon classification, non-current assets (or disposal group) held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Entity committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale irrespective whether non-controlling interest after the sale will be retained or not.

**3.22 Recent Pronouncements**

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

**I. Ind AS 103 – Reference to Conceptual Framework**

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

**II. Ind AS 16 – Proceeds before intended use**

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

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

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

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

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

**V. Code on Social Security**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March, 2022

## Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

## (a) Property, Plant and Equipment

(₹ in lakhs)

Sr. No.	Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
<b>1</b>	<b>Cost of Assets</b>								
	As at 1 <sup>st</sup> April, 2020	1,649.47	18,850.21	33,428.39	2,889.22	1,184.75	943.06	1,043.86	59,988.96
	Addition / Transfers	350.27	79.76	704.65	123.75	66.09	31.34	29.34	1,385.20
	Disposal / Adjustments	-	-	(4.83)	(12.35)	(47.59)	(4.70)	(63.65)	(133.12)
	As at 31 <sup>st</sup> March, 2021	1,999.74	18,929.97	34,128.21	3,000.62	1,203.25	969.70	1,009.55	61,241.04
	Addition / Transfers	-	699.06	793.52	158.31	186.32	38.40	112.64	<b>1,988.25</b>
	Disposal / Adjustments	-	(84.69)	(17.60)	(94.97)	(95.67)	(52.10)	(188.61)	<b>(533.64)</b>
	Elimination due to classification of assets as held for Sale	(550.41)	(2,218.56)	(6,361.17)	(263.29)	(16.05)	(245.17)	(1.19)	<b>(9,655.84)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,449.33</b>	<b>17,325.78</b>	<b>28,542.96</b>	<b>2,800.67</b>	<b>1,277.85</b>	<b>710.83</b>	<b>932.39</b>	<b>53,039.81</b>
<b>2</b>	<b>Depreciation / Amortization</b>								
	As at 1 <sup>st</sup> April, 2020	-	5,622.49	8,690.61	1,425.33	993.63	606.30	676.92	18,015.28
	Charge for the year	-	1,005.99	1,384.68	516.01	102.79	107.37	116.54	3,233.38
	Disposal / Adjustments	-	-	(0.27)	(7.38)	(42.94)	(2.43)	(47.74)	(100.76)
	As at 31 <sup>st</sup> March, 2021	-	6,628.48	10,075.02	1,933.96	1,053.48	711.24	745.72	21,147.90
	Charge for the year	-	794.23	1,152.27	308.54	102.60	56.94	88.91	<b>2,503.49</b>
	Depreciation of Subsidiary classified as held for Sale	-	132.49	286.73	30.99	5.39	12.66	0.06	<b>468.32</b>
	Disposal / Adjustments	-	(33.96)	(1.24)	(46.41)	(85.08)	(40.97)	(148.21)	<b>(355.87)</b>
	Elimination due to classification of assets as held for Sale	-	(869.90)	(1,597.76)	(174.61)	(10.65)	(137.11)	(1.06)	<b>(2,791.09)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>6,651.34</b>	<b>9,915.02</b>	<b>2,052.47</b>	<b>1,065.74</b>	<b>602.76</b>	<b>685.42</b>	<b>20,972.75</b>
<b>3</b>	<b>Net Block</b>								
	As at 31 <sup>st</sup> March, 2021	1,999.74	12,301.49	24,053.19	1,066.66	149.77	258.46	263.83	40,093.14
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>1,449.33</b>	<b>10,674.44</b>	<b>18,627.94</b>	<b>748.20</b>	<b>212.11</b>	<b>108.07</b>	<b>246.97</b>	<b>32,067.06</b>
<b>(b) Capital work-in-progress</b>									
	As at 1 <sup>st</sup> April, 2020	-	3.51	49.43	-	-	-	-	52.94
	Addition	-	127.15	37.88	-	-	-	-	165.03
	Transfers / Adjustments	-	(10.16)	(74.39)	-	-	-	-	(84.55)
	As at 31 <sup>st</sup> March, 2021	-	120.50	12.92	-	-	-	-	133.42
	Addition	-	47.38	27.07	-	-	-	-	<b>74.45</b>
	Transfers / Adjustments	-	(120.50)	(12.92)	-	-	-	-	<b>(133.42)</b>
	Elimination due to classification of asset as held for Sale	-	(5.99)	-	-	-	-	-	<b>(5.99)</b>
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>41.39</b>	<b>27.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68.46</b>
<b>(c) Capital work-in-progress ageing schedule</b>									
<b>Projects in progress</b>		<b>Amount in CWIP for a period of</b>							
		<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>			
	As at 31 <sup>st</sup> March, 2021	133.42	-	-	-	133.42			
	As at 31 <sup>st</sup> March, 2022	<b>74.45</b>	-	-	-	<b>74.45</b>			
	Elimination due to classification of asset as held for Sale	(5.99)	-	-	-	(5.99)			
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>68.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68.46</b>			

All the projects are executed as per rolling annual plan.

**Notes:**

- Previous period's figures have been re-grouped / re-classified wherever required to current year's classification.
- Refer Notes No. 19 and 24 for information on Property, Plant and Equipment pledged as security by the Group.
- Elimination due to classification as held for Sale: Refer Note No. 16.1
- Cost of Buildings includes ownership offices in co-operative societies for ₹ 2,179.55 lakhs (Previous year ₹ 2,179.55 lakhs) including 40 shares of ₹ 50/- each and 10 shares of ₹ 50/- each in respective Co-operative societies.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ₹ 338.45 Lakhs as on 31<sup>st</sup> March, 2022 and ₹ 202.36 Lakhs as on 31<sup>st</sup> March, 2021. [Refer Note No 46(b)]

## Note - 5. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Sr. No.	Particulars	Computer Softwares
<b>1</b>	<b>Cost of Assets</b>	
	As at 1 <sup>st</sup> April, 2020	620.59
	Addition / Transfers	24.14
	Disposal / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	644.73
	Addition / Transfers	27.07
	Disposal / Adjustments	(145.64)
	Elimination due to classification of asset as held for Sale (Refer Note No. 16.1)	(8.83)
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>517.33</b>
<b>2</b>	<b>Amortization</b>	
	As at 1 <sup>st</sup> April, 2020	500.93
	Charge for the year	67.31
	Disposal / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	568.24
	Charge for the year	42.35
	Depreciation of Subsidiary classified as held for sale	0.29
	Disposal / Adjustments	(138.38)
	Elimination due to classification of asset as held for Sale (Refer Note No. 16.1)	(1.52)
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>470.98</b>
<b>3</b>	<b>Net Block</b>	
	As at 31 <sup>st</sup> March, 2021	76.49
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>46.35</b>
	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	
	As at 1 <sup>st</sup> April, 2020	-
	Addition	-
	Transfers / Adjustments	-
	As at 31 <sup>st</sup> March, 2021	-
	Addition	-
	Transfers / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 6. INVESTMENTS - NON-CURRENT</b>			
	<b>Non-Current Investments</b>		
	<b>Trade Investments (valued at cost unless otherwise specified)</b>		
<b>A</b>	<b>Investments in Equity Instruments</b>		
	<b>Investments in Associate (Unquoted)</b>		
	Milo Tile LLP (Associate Entity)	821.80	817.04
	Add / (Less): Share of Profit / (Loss) from Associate	0.76	4.76
	<b>Total Trade Investments in Associate (A)</b>	<b>822.56</b>	<b>821.80</b>
	<b>Non Trade Investments</b>		
<b>B</b>	<b>Investments in Debentures (at amortised cost) (Unquoted)</b>		
(a)	State Bank of India Series1 9.56% - NCD Perpetual 10 Units of face value of ₹ 10,00,000 per unit (10 Units of face value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)	101.40	102.43
(b)	State Bank of India Series1 7.74% - NCD Perpetual 50 Units of face value of ₹ 10,00,000 per unit (50 Units of face value of Rs. 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)	501.00	501.25
(c)	Mahindra & Mahindra Financial Services Ltd SR AG2020 BR NCD 06JU22 20 Units of face Value of ₹ 10,00,000 per unit (20 Units of face Value of Rs. 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)	223.92	211.32
(d)	State Bank of India Series1 7.73% - NCD Perpetual 50 Units of face value of ₹ 10,00,000 per unit (50 Units of face value of ₹ 10,00,000 per unit as at 31 <sup>st</sup> March, 2021)	507.24	509.00
	<b>Total (B)</b>	<b>1,333.56</b>	<b>1,324.00</b>
<b>C</b>	<b>Investments in Bonds (at amortised cost) (Unquoted)</b>		
(a)	Rural Electrification Corporation Limited SR-2 8.12 / 8.32 (Tax free) 28,000 Bonds of face value of ₹ 1,000 per Bond (28,000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	312.08	317.68
(b)	Indian Railway Finance Corporation Limited 7.18 / 7.68 (Tax free) 30,000 Bonds of face value of ₹ 1,000 per Bond (30,000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	305.18	309.02
(c)	Indian Railway Finance Corporation Limited SR-79A 7.77 (Tax free) 385 Bonds of face value of ₹ 1,00,000 per Bond (385 Bonds of face value of ₹ 1,00,000 per Bond as at 31 <sup>st</sup> March, 2021)	420.61	427.65
(d)	HDFC Bank Limited SR-1 8.85 BD Perpetual 30 Bonds of face value of ₹ 10,00,000 per Bond (30 Bonds of face value of ₹ 10,00,000 per Bond as at 31 <sup>st</sup> March, 2021)	303.85	307.22
(e)	Indian Railway Finance Corporation Limited 8 / 8.15 (Tax free) Nil Bond (50,000 Bonds of face value of ₹ 1,000 per Bond as at 31 <sup>st</sup> March, 2021)	-	514.03
	<b>Total (C)</b>	<b>1,341.72</b>	<b>1,875.60</b>
<b>D</b>	<b>Investments in Government Securities (at cost) (Unquoted)</b>		
	National Savings Certificates	0.13	0.13
	<b>Total (D)</b>	<b>0.13</b>	<b>0.13</b>
	<b>Total Non-Trade Investments (B + C + D)</b>	<b>2,675.41</b>	<b>3,199.73</b>
	<b>Aggregate amount of Unquoted Investments (A + B + C + D)</b>	<b>3,497.97</b>	<b>4,021.53</b>

**Notes :**

6.1 Business operations of Cera Sanitaryware Trading LLC-Dubai (Associate) have been closed / terminated w.e.f. 12<sup>th</sup> October, 2020 due to continuing unviable business operations. The LLC closure process is in progress by the appropriate Authority at Dubai.

**6.2 Ownership interest in Associate :**

Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%)		Activities
		As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021	
Milo Tile LLP	India	26%	26%	Manufacturing of Tiles

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT</b>			
<b>At amortized cost</b>			
1	Security Deposits (Unsecured, considered good)	145.39	287.52
<b>Other Bank Balances</b>			
2	Bank FDs with more than 12 months maturity	-	605.50
3	Margin Money Deposits with bank held as security with more than 12 months maturity	950.84	519.20
	<b>Total</b>	<b>1,096.23</b>	<b>1,412.22</b>
<b>Note - 8. OTHER NON-CURRENT ASSETS</b>			
1	<b>Capital Advances</b>	612.69	591.92
	Less: Allowance for Expected Credit Loss	(328.24)	(211.01)
	<b>Net Capital Advances</b>	<b>284.45</b>	<b>380.91</b>
2	<b>Advances other than Capital Advances</b>		
	(a) Others Advances (Unsecured, considered good)		
	(i) Advance Lease Rentals - Security Deposits	14.26	17.61
	(ii) Other Security Deposit	0.20	1.10
	(b) Advance Income Tax for earlier years	232.20	255.22
	<b>Total</b>	<b>531.11</b>	<b>654.84</b>
<b>Note - 9. INVENTORIES</b>			
<b>As taken, valued &amp; certified by the Management</b>			
<b>At lower of Cost and Net Realisable Value</b>			
1	Raw Materials	3,766.53	3,062.44
2	Work-in-progress	1,296.73	937.17
3	Finished Goods	8,867.80	3,695.86
4	Stock-in-trade	13,994.81	10,273.84
5	Stores and Spares	1,448.99	1,996.80
	<b>Total</b>	<b>29,374.86</b>	<b>19,966.11</b>

**Note :**

9.1 Refer Note No. 24 for information on inventory pledged as security by the Group.

**Note - 10. INVESTMENTS - CURRENT****Current Investments****Investments in Mutual Funds (Unquoted)****Measured at fair Value through Profit & Loss (FVTPL)**

1	SBI Savings Fund - Direct Plan -Growth 9616102.6010 Units NAV of ₹ 35.5614 each (22160648.6000 Units NAV of ₹ 34.1958 each as at 31 <sup>st</sup> March, 2021)	3,419.62	7,578.01
2	IDFC Corporate Bond Fund Regular Plan Growth 4812489.613 Units NAV of ₹ 15.7346 each (4905590.7810 Units NAV of ₹ 15.0230 each as at 31 <sup>st</sup> March, 2021)	757.23	736.97
3	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 6883789.369 Units NAV of ₹ 26.1331 each (7162196.6570 Units NAV of ₹ 24.9279 each as at 31 <sup>st</sup> March, 2021)	1,798.95	1,785.39
4	Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) 68099.467 Units NAV of ₹ 2187.0567 each (44832.9110 Units NAV of ₹ 2097.7900 each as at 31 <sup>st</sup> March, 2021)	1,489.37	940.50
5	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 4164632.5570 Units NAV of ₹ 20.3992 each (4164632.5570 Units NAV of ₹ 19.5405 each as at 31 <sup>st</sup> March, 2021)	849.55	813.79
6	Axis Short Term Fund - Growth (ST-GP) 3209139.7240 Units NAV of ₹ 24.9292 each (4491579.0260 Units NAV of ₹ 23.8933 each as at 31 <sup>st</sup> March, 2021)	800.01	1,073.19
7	Axis Banking & PSU Debt Fund - Regular Growth (BD-GP) 54671.6500 Units NAV of ₹ 2140.7193 each (54671.6500 Units NAV of ₹ 2059.4026 each as at 31 <sup>st</sup> March, 2021)	1,170.37	1,125.91

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
8	IDFC Banking & PSU Debt Fund - Regular Plan - Growth 5750828.9360 Units NAV of ₹ 20.0164 each (5750828.9360 Units NAV of ₹ 19.2347 each as at 31 <sup>st</sup> March, 2021)	1,151.11	1,106.15
9	L & T Banking and PSU Debt Fund- Regular Growth 5507136.2820 Units NAV of ₹ 20.2002 each (5507136.2820 Units NAV of ₹ 19.4044 each as at 31 <sup>st</sup> March, 2021)	1,112.45	1,068.63
10	L & T Banking and PSU Debt Fund Direct Plan - Growth 5423136.0600 Units NAV of ₹ 21.0165 each (583083.5790 Units NAV of ₹ 20.1120 each as at 31 <sup>st</sup> March, 2021)	1,139.75	117.27
11	ICICI Prudential Corporate Bond Fund - Growth 2831219.4670 Units NAV of ₹ 23.6558 each (2831219.4670 Units NAV of ₹ 22.6880 each as at 31 <sup>st</sup> March, 2021)	669.75	642.35
12	L & T Short Term Bond Fund - Growth 2521308.8490 Units NAV of ₹ 21.6605 each (2521308.8490 Units NAV of ₹ 20.8400 each as at 31 <sup>st</sup> March, 2021)	546.13	525.44
13	SBI Corporate Bond Fund - Regular Plan Growth 9761597.1200 Units NAV of ₹ 12.5796 each (9761597.1200 Units NAV of ₹ 12.0821 each as at 31 <sup>st</sup> March, 2021)	1,227.97	1,179.41
14	Edelweiss Mutual Fund Bharat Bond ETF- April-2030 40000 Units NAV of ₹ 1203.0839 each (40000 Units NAV of ₹ 1134.3684 each as at 31 <sup>st</sup> March, 2021)	481.23	453.75
15	Kotak Banking and PSU Debt Fund - Regular Plan - Growth 1270249.392 Units NAV of ₹ 52.7948 each (1270249.3920 Units NAV of ₹ 50.3152 each as at 31 <sup>st</sup> March, 2021)	670.63	639.13
16	Kotak Floating Rate Fund - Regular Plan - Growth 195064.6600 Units NAV of ₹ 1214.8169 each (195064.6600 Units NAV of ₹ 1149.8455 each as at 31 <sup>st</sup> March, 2021)	2,369.68	2,242.94
17	L & T Triple Ace Bond Fund - Direct Plan - Growth 1335436.2750 Units NAV of ₹ 62.8597 each (1335436.2750 Units NAV of ₹ 59.6391 each as at 31 <sup>st</sup> March, 2021)	839.45	796.44
18	L & T Triple Ace Bond Fund - Growth 1097031.1720 Units NAV of ₹ 59.6662 each (1097031.1720 Units NAV of ₹ 56.8021 each as at 31 <sup>st</sup> March, 2021)	654.56	623.14
19	ICICI Prudential Banking & PSU Debt Fund - Growth 3439414.8080 Units NAV of ₹ 26.1348 each (3439414.8080 Units NAV of ₹ 24.9814 each as at 31 <sup>st</sup> March, 2021)	898.88	859.21
20	IDFC Bond Fund -Short Term Plan- Regular Plan Growth 2076176.3730 Units NAV of ₹ 46.4728 each (2076176.3730 Units NAV of ₹ 44.6658 each as at 31 <sup>st</sup> March, 2021)	964.86	927.34
21	HDFC Corporate Bond Fund - Direct Plan - Growth 15143548.5460 Units NAV of ₹ 26.4814 each (1463914.5070 Units NAV of ₹ 25.1835 each as at 31 <sup>st</sup> March, 2021)	4,010.22	368.66
22	ICICI Prudential Short Term Fund - Growth 2371754.8990 Units NAV of ₹ 47.7874 each (2371754.8990 Units NAV of ₹ 45.8632 each as at 31 <sup>st</sup> March, 2021)	1,133.40	1,087.76
23	Kotak Floating Rate Fund - Direct Plan Growth 13375.9980 Units NAV of ₹ 1227.3269 each (13375.9980 Units NAV of ₹ 1157.0556 each as at 31 <sup>st</sup> March, 2021)	164.17	154.77
24	SBI Dynamic Bond Fund - Direct Growth 709853.9780 Units NAV of ₹ 30.2725 each (709853.9780 Units NAV of ₹ 29.2065 each as at 31 <sup>st</sup> March, 2021)	214.89	207.32
25	Bharat Bond FOF - April 2025 - Direct Plan Growth 23810152.9690 Units NAV of ₹ 10.8230 each (5046123.8910 Units NAV of ₹ 10.2339 each as at 31 <sup>st</sup> March, 2021)	2,576.97	516.42
26	Axis Corporate Debt Fund - Regular Growth (CO-GP) 8021457.6570 Units NAV of ₹ 13.7565 each (8021457.6570 Units NAV of ₹ 13.1754 each as at 31 <sup>st</sup> March, 2021)	1,103.47	1,056.86
27	DSP Bond Fund - Regular Plan Growth 791425.2720 Units NAV of ₹ 66.1813 each (791425.2720 Units NAV of ₹ 63.5391 each as at 31 <sup>st</sup> March, 2021)	523.78	502.86



Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
28	SBI Floating Rate Debt Fund - Direct Plan Growth 69153021.2510 Units NAV of ₹ 10.6519 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	7,366.11	-
29	HDFC Banking & PSU Debt Fund -Direct Plan Growth 1976743.860 Units NAV of ₹ 19.1592 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	378.73	-
30	IDFC Bond Fund -Short Term Plan- Direct Growth 2078625.8820 Units NAV of ₹ 48.9968 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,018.46	-
31	ICICI Prudential Corporate Bond Fund -Direct Growth 16464710.6090 Units NAV of ₹ 24.5863 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	4,048.06	-
32	DSP Bond Fund -Direct Plan Growth 1461851.0920 Units NAV of ₹ 69.4769 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,015.65	-
33	ICICI Prudential Banking & PSU Debt Fund -Direct Growth 1887260.7350 Units NAV of ₹ 26.9203 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	508.06	-
34	SBI Corporate Bond Fund - Direct Plan Growth 3971522.7670 Units NAV of ₹ 12.7751 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	507.37	-
35	ICICI Prudential Short Term Fund - Direct Plan Growth 5933470.6160 Units NAV of ₹ 51.0452 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	3,028.75	-
36	SBI Liquid Fund - Direct Growth 45042.2120 Units NAV of ₹ 3333.0896 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	1,501.30	-
37	SBI Overnight Fund - Direct Plan Growth 17442.6910 Units NAV of ₹ 3461.3538 each (Nil Unit as at 31 <sup>st</sup> March, 2021)	603.75	-
38	Franklin India Low Duration Fund - Segregated Portfolio 2 270745.155 Units NAV of ₹ 0.3396 each (296772.065 Units NAV of ₹ 0.00 each as at 31 <sup>st</sup> March, 2021)	0.91	-
39	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund- Growth) Nil Unit (629432.2520 Units NAV of ₹ 30.8536 each as at 31 <sup>st</sup> March, 2021)	-	194.20
40	HDFC Banking & PSU Debt Fund - Regular Plan - Growth Nil Unit (2026124.5910 Units NAV of ₹ 17.8375 each as at 31 <sup>st</sup> March, 2021)	-	361.41
41	SBI Magnum Ultra Short Duration Fund - Direct Growth Nil Unit (47195.7030 Units NAV of ₹ 4718.9734 each as at 31 <sup>st</sup> March, 2021)	-	2,227.15
42	SBI Magnum Low Duration Fund - Direct Growth Nil Unit (411058.9000 Units NAV of ₹ 2795.7642 each as at 31 <sup>st</sup> March, 2021)	-	11,492.24
	<b>Total</b>	<b>52,715.60</b>	<b>43,404.61</b>
	<b>Aggregate Cost of Unquoted Investments</b>	<b>50,041.24</b>	<b>41,440.35</b>
	<b>Aggregate Fair Value of Unquoted Investments</b>	<b>52,715.60</b>	<b>43,404.61</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 11. TRADE RECEIVABLES - CURRENT</b>			
(a)	Trade Receivables considered good - Secured	2,593.46	2,630.71
(b)	Trade Receivables considered good - Unsecured	12,202.06	17,420.49
(c)	Trade Receivables which have significant increase in Credit Risk	678.89	-
(d)	Trade Receivables - Credit Impaired	2,282.23	1,841.03
		<b>17,756.64</b>	<b>21,892.23</b>
	Less: Allowance for Expected Credit Losses on (d) above	1,279.88	945.53
	<b>Total</b>	<b>16,476.76</b>	<b>20,946.70</b>
<b>Movement in Allowance for Expected Credit Losses</b>			
	<b>Balance at the beginning of the year</b>	<b>945.53</b>	<b>610.55</b>
	Allowance for Expected Credit Losses provided during the year (Refer Note No. 38)	391.96	336.07
	Amounts written back during the year	(30.16)	(1.09)
	Amounts of Trade Receivables written off during the year	(27.45)	-
	<b>Balance at the end of the year</b>	<b>1,279.88</b>	<b>945.53</b>

**Notes :**

11.1 Refer Note No. 24 for information on Trade Receivables pledged as security by the Group.

11.2 No Trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.

11.4 Trade Receivables of the Group are non-interest bearing and are generally on credit terms up to 30 to 60 days.

11.5 Refer Note No. 41 for dues from an Associate. (Unsecured, considered good)

11.6 Ageing for Trade Receivables - Current as at 31<sup>st</sup> March, 2022 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,900.55	4,532.80	670.97	600.84	34.92	55.44	14,795.52
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.51	24.59	125.18	163.24	365.37	678.89
(iii) Undisputed Trade Receivables - credit impaired	-	7.41	16.53	188.09	189.95	1,880.25	2,282.23
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>8,900.55</b>	<b>4,540.72</b>	<b>712.09</b>	<b>914.11</b>	<b>388.11</b>	<b>2,301.06</b>	<b>17,756.64</b>

Ageing for Trade Receivables - Current as at 31<sup>st</sup> March, 2021 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	10,820.71	6,589.96	301.06	984.48	933.68	421.31	20,051.20
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	206.51	-	112.00	928.10	594.42	1,841.03
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>10,820.71</b>	<b>6,796.47</b>	<b>301.06</b>	<b>1,096.48</b>	<b>1,861.78</b>	<b>1,015.73</b>	<b>21,892.23</b>

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 12. CASH AND CASH EQUIVALENTS</b>			
1	Balances with banks in current accounts	182.65	752.38
2	Cash on hand	6.91	14.95
3	Bank FDs with original maturity of less than 3 months	1,200.07	-
	<b>Total</b>	<b>1,389.63</b>	<b>767.33</b>

**Note - 13. OTHER BALANCES WITH BANKS**

1	Bank Fixed Deposits with original maturity of more than 3 months but less than 12 months	0.68	166.18
2	Earmarked Balances with Banks (Unpaid Dividend)*	103.75	107.52
	<b>Total</b>	<b>104.43</b>	<b>273.70</b>

\* Not due for deposit in the Investor Education and Protection Fund

**Note - 14. OTHER FINANCIAL ASSETS - CURRENT****At amortised cost (Unsecured, considered good)**

1	Security Deposits	150.69	183.65
2	Insurance claims receivable	92.00	99.20
3	Interest accrued and receivable	90.36	104.96
4	Advance to staff	45.27	59.63
5	Incentives / Grants Receivable from Government (Power & VAT/CST/SGST/TCS/Interest Subsidy)	98.95	2,210.27
	<b>Total</b>	<b>477.27</b>	<b>2,657.71</b>

**Note - 15. OTHER CURRENT ASSETS****1 Advances other than Capital Advances (Unsecured, considered good)**

## Other Advances

(i)	Prepaid Expenses	635.96	716.38
(ii)	Balance with Statutory/Government Authorities	58.23	117.29
(iii)	Advance Lease Rentals - Security Deposits	9.10	10.21
(iv)	Advances to related parties*	70.80	70.80
(v)	Other Advances	2,237.52	1,065.32
	<b>Total</b>	<b>3,011.61</b>	<b>1,980.00</b>

\* Refer Notes No. 41 and 47

**NOTE - 16. ASSETS CLASSIFIED AS HELD FOR SALE**

- 16.1 On 5<sup>th</sup> August, 2021, the Board of Directors of the Parent Company considered the proposal for in-principal approval for divestment of the entire stake in Anjani Tiles Limited, a subsidiary company of M/s. Cera Sanitaryware Limited. The Parent has executed SPA (Share Purchase Agreement) on 26<sup>th</sup> August, 2021 for sale of all equity and preference shares held in Anjani Tiles Limited to Anjani Vishnu Holdings Ltd. The Parent is committed to a sale plan resulting into impairment loss of ₹ 573.80 lakhs and loss of control of subsidiary company and therefore, has classified all the assets and liabilities of the subsidiary as held for Sale as per Ind AS-105 "Non-current Assets Held for Sale and Discontinued Operations".

# CERA

**Cera Sanitaryware Limited**

Consolidated Financial Statements

The major classes of assets and liabilities of Anjani Tiles Limited classified as held for sale as at 31<sup>st</sup> March, 2022 are as under:

Particulars	As at 31 <sup>st</sup> March, 2022
(₹ in lakhs)	
<b>ASSETS</b>	
<b>(1) Non-current Assets</b>	
(a) Property, Plant and Equipment	6,864.75
(b) Capital work-in-progress	5.99
(c) Other Intangible Assets	7.31
(d) Other Financial Assets	538.43
(e) Deferred Tax Assets (Net)	238.00
(f) Other Non-current Assets	18.23
<b>(2) Current Assets</b>	
(a) Inventories	1,856.97
(b) Trade Receivables	203.11
(c) Cash and Cash Equivalents	23.53
(d) Other Balances with Banks	111.45
(e) Other Financial Assets	2,212.95
(f) Other Current Assets	652.29
<b>Assets Classified as held for Sale</b>	<b>12,733.01</b>
<b>LIABILITIES</b>	
<b>(1) Non-current Liabilities</b>	
(a) Borrowings (Refer Note No 16.5(a))	5,550.99
(b) Provisions	10.59
<b>(2) Current Liabilities</b>	
(a) Borrowing (Refer Note No 16.5(b))	2,286.28
(b) Trade Payables	
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,320.65
(c) Other Financial Liabilities	23.49
(d) Other Current Liabilities	164.89
(e) Provisions	7.62
<b>Liabilities directly associated with assets classified as held for Sale</b>	<b>9,364.51</b>
<b>Net Assets classified as held for Sale</b>	<b>3,368.50</b>

16.2 Impairment Loss due to Committed sale of stake in Anjani Tiles Limited as at 31<sup>st</sup> March, 2022 is as under :

		(₹ in Lakhs)
Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022
1	<b>Investments in Equity Instruments</b>	
	1,02,00,000 Equity Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up as at 31 <sup>st</sup> March, 2022	1020.00
2	<b>Investments in Preference Shares</b>	
	1,78,00,000 1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited of ₹ 10/- each fully paid up as at 31 <sup>st</sup> March, 2022	1780.00
3	<b>Total Owner's share in Anjani Tiles Limited (1+2)</b>	2800.00
4	<b>Deferred Consideration Receivable</b>	2226.20
5	<b>Impairment Loss shown in Statement of Profit and Loss as Exceptional Item</b>	573.80

16.3 The net cash flows of Anjani Tiles Limited are as follows :

		(₹ in Lakhs)
Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022
1	Cash flow from Operating activities	898.65
2	Cash flow from Investing activities	(321.36)
3	Cash flow from Financing activities	(584.97)
	<b>Net Cash Outflow</b>	<b>(7.68)</b>

- 16.4 (a) Pursuant to the Resolution passed at the Board Meeting of the Parent held on 5<sup>th</sup> August, 2021 for consideration of the proposal and in principle approval for divestment of the Parent's entire stake in Anjani Tiles Limited, a Memorandum of Understanding (MOU) was executed on 17<sup>th</sup> August, 2021 by and amongst Cera Sanitaryware Limited (Cera), Anjani Vishnu Holdings Ltd (AVHL) (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL) (Subsidiary Company) for the transfer / divestment of entire stake in Anjani Tiles Limited, consisting of 1,02,00,000 Equity shares of ₹ 10/- each and 2,42,30,000 1% Cumulative Redeemable Preference shares of ₹ 10/- each on a fully diluted basis, for a total consideration of ₹ 2,869.20 Lakhs.
- (b) Cera Sanitaryware Limited (Cera), AVHL and ATL also entered in to Share Purchase Agreement (SPA) dated 26<sup>th</sup> August, 2021 pursuant to which the Cera agreed to sell all the Equity and Preference Shares held by it in ATL to AVHL.
- (c) Total consideration as referred above, will be received by the Parent in one or more tranches, beginning from 30<sup>th</sup> September, 2021 and completing on 31<sup>st</sup> March, 2023 through an escrow mechanism and as per the Payment Schedule set out in the MOU. Accordingly, the first tranche of ₹ 643.00 Lakhs has been received by the Parent on 28<sup>th</sup> September, 2021 from the Acquirer Company and 64,30,000 Preference Shares of ATL have been transferred (off market) to AVHL on 29<sup>th</sup> September, 2021.
- (d) Further, pursuant to the MOU and SPA, the Share Escrow Agreement was executed by the Cera, AVHL and ATL with Federal Bank Ltd. (Escrow Agent) jointly on 23<sup>rd</sup> November, 2021. Both Cera and AVHL have transferred their respective entire Equity shareholding and their respective balance Preference shareholding to the Escrow Account in January, 2022 with lien marked in favour of the Escrow Agent.
- (e) Assets and Liabilities of Anjani Tiles Limited have been presented as Assets classified as Held for Sale & Liabilities directly associated with assets classified as held for Sale as on 31<sup>st</sup> March, 2022 as per Indian Accounting Standard - 105 - "Non-current Assets Held for Sale and Discontinued Operations". The impairment loss of ₹ 573.80 Lakhs on Equity Shares (Preference shares to be transferred at fair value which is equivalent to carrying amount) due to above arrangements has been recognised in the Statement of Profit and Loss as Exceptional Item.

**16.5 Terms & Conditions of Borrowings & Repayment Terms of Preference Shares for liabilities directly associated with assets classified as held for Sale of Subsidiary Company Anjani Tiles Limited (Refer Note No.16.1)**

**(a) Details of Non-current Borrowings :**

		(₹ in Lakhs)
Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022
	<b>Non-current Borrowings</b>	
1	<b>Term Loans (Secured)</b>	
	<b>From Banks</b>	
	The Federal Bank Ltd.	1,267.99
2	<b>Preference Share</b>	
	2,72,00,000 1% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up held by Anjani Vishnu Holding Ltd. (AVHL)	2,720.00
3	<b>Unsecured loans</b>	
	From Related Party	1,563.00
	<b>Total Non-current Borrowings</b>	<b>5,550.99</b>

**Terms & Conditions of Non-current Borrowings are as under :**

**(i) Terms of repayment of Term Loans from The Federal Bank Ltd. (Anjani Tiles Limited)**

Term loans from The Federal Bank Ltd. are secured by equitable mortgage (EM) of Industrial Land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal, Nellore, Andhra Pradesh and Factory Buildings and hypothecation of other fixed assets purchased out of the Term Loans proceeds, repayable from FY 2022-23 to FY 2026-27.

The Company has also availed Working Capital Term Loans (WCTL) from The Federal Bank Ltd. which are secured by movable / immovable assets of the Company, repayable from FY 2022-23 to FY 2026-27.

**(ii) The reconciliation of the number of Preference Shares outstanding and amount of preference share capital are set out below :**

		(₹ in Lakhs)
Particulars	As at 31 <sup>st</sup> March, 2022	
	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,07,70,000	2,077.00
Add: Divestment from the Parent to the AVHL	64,30,000	643.00
Shares outstanding at the end of the year	2,72,00,000	2,720.00



**Conditions of Redemption:**

- (i) 1% Cumulative Redeemable Preference Shares shall be redeemed on completion of 7 years from the respective dates of allotment. The Board of Directors of the issuing subsidiary are authorised to redeem before due date by giving one month prior notice to the preference share holders.
- (ii) Repayment Schedule of 1% Cumulative Redeemable Preference Shares

Particulars	FY 2023-24	FY 2024-25	FY 2029-30	Total
(a) No. of Shares	84,62,222	30,22,222	1,57,15,556	2,72,00,000
(b) Amount (₹ in Lakhs)	846.22	302.22	1,571.56	2,720.00

- (iii) No Capital Redemption Reserve has been created by Anjani Tiles Ltd. (Issuing Company) due to inadequate profits.

**(b) Details of Current Borrowings :**

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022
1	<b>Borrowings Repayable on Demand</b>	
	<b>Secured</b>	
	From The Federal Bank Ltd. (Anjani Tiles Limited)	
	Cash Credit / WCDL	997.31
2	<b>Current Maturities of Long Term Debt</b>	1,288.97
	<b>Total</b>	<b>2,286.28</b>

**Notes :**

- (i) Cash Credit / WCDL from The Federal Bank Ltd., referred in Note No 16.5(b) above, are secured by hypothecation of entire inventories and trade receivables and collaterally secured by way of equitable mortgage of land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal, Nellore, Andhra Pradesh.
- (ii) **Terms of Cash Credit / WCDL from The Federal Bank Ltd.:**  
Rate of interest on Cash credit / WCDL facility is chargeable at 7.75% p.a.

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 17. SHARE CAPITAL</b>			
1	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of ₹ 5/- each	1,000.00	1,000.00
	(2,00,00,000 Equity Shares of ₹ 5/- each as at 31 <sup>st</sup> March, 2021)		
	<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
2	<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
	1,30,05,874 Equity Shares of ₹ 5/- each fully paid up	650.29	650.29
	(1,30,05,874 Equity Shares of ₹ 5/- each fully paid up as at 31 <sup>st</sup> March, 2021)		
	<b>Total</b>	<b>650.29</b>	<b>650.29</b>

**Notes :**

17.1 The reconciliation of the number of Equity Shares outstanding and amount of share capital is set out below: (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,30,05,874	650.29	1,30,05,874	650.29
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,30,05,874	650.29	1,30,05,874	650.29

**17.2 Terms / Rights attached to Equity Share:**

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**17.3 Details of the shareholders holding more than 5% of the aggregate shares are set out below:**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%
Smt. Smi Somany	13,42,240	10.32%	13,42,240	10.32%
Nalanda India Equity Fund Limited	12,98,143	9.98%	12,98,143	9.98%

## 17.4 Details of the shareholding of promoters are set out below :

Promoter Name	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021		% change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%	-
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%	-
Smt. Smiti Somany	13,42,240	10.32%	13,42,240	10.32%	-
Rekha Commercial Pvt. Ltd.	5,32,388	4.09%	5,32,388	4.09%	-
Trisure Promotions & Tradings Pvt. Ltd.	4,84,400	3.72%	4,84,400	3.72%	-
Deepshikha Khaitan	3,39,116	2.61%	3,39,116	2.61%	-
Suvinay Trading & Investment Co. Ltd.	3,22,808	2.48%	3,22,808	2.48%	-
Pooja Jain Somany	2,00,000	1.54%	2,00,000	1.54%	-
Madhusudan Industries Ltd.	18,065	0.14%	18,065	0.14%	-
<b>Total</b>	<b>70,85,139</b>	<b>54.48%</b>	<b>70,85,139</b>	<b>54.48%</b>	

17.5 There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 18.1 OTHER EQUITY</b>			
1	<b>Other Reserves</b>		
	(i) Securities Premium	8,095.94	8,095.94
	(ii) General Reserve		
	<b>Balance as per last financial year</b>	49,000.47	43,540.01
	Add : Transferred from Statement of Profit and Loss	3,439.58	5,460.46
		<b>52,440.05</b>	<b>49,000.47</b>
2	<b>Retained Earnings</b>		
	<b>Balance as per last financial year</b>	29,864.64	25,246.83
	Adjustment related to prior period	10.50	0.93
	Add : Profit for the year	15,109.58	10,077.34
	Others	0.86	-
	Less : Appropriations		
	Transferred to General Reserve	(3,439.58)	(5,460.46)
	Dividend on Equity Shares distributed for F.Y. 2020-21	(1,690.76)	-
		<b>39,855.24</b>	<b>29,864.64</b>
3	<b>Other Comprehensive Income</b>		
	Remeasurements of Defined Benefit Plan		
	<b>Balance as per last financial year</b>	(437.57)	(458.87)
	Adjustments during the year		
	Add : Actuarial (Loss) / Gain on Remeasurement of Defined Benefit Plan	(147.26)	28.53
	Add : Elimination Effect of Subsidiary (Classified as held for Sale)	1.47	-
	Less : Current Tax effect on Gratuity	(1.28)	(12.57)
	Less : Deferred Tax on Leave Encashment/Gratuity	38.29	5.34
		<b>(546.35)</b>	<b>(437.57)</b>
4	<b>Group's Share in Equity of Subsidiary Company (Classified as held for Sale)</b>	<b>1,020.00</b>	-
	<b>Total</b>	<b>1,00,864.88</b>	<b>86,523.48</b>

**Nature and purpose of Other Reserves****(a) Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**(b) General Reserve**

General Reserve is created out of profit after tax earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 18.2 NON CONTROLLING INTERESTS</b>			
	Balance as per last financial year	(250.32)	(164.34)
	Add: Profit for the year	185.66	(81.91)
	Add: Net Increase in Non Controlling Interest of Subsidiary Company (Classified as held for Sale)	20.47	-
	Add: Adjustment Related to prior period	(10.50)	-
	Add: Other Comprehensive Income	0.49	1.17
	Less: Deferred Tax on Other Comprehensive Income	(0.17)	(0.34)
	Less: Distribution of Profit (Packart Packaging LLP)	(19.60)	(4.90)
	Total	(73.97)	(250.32)
	Add: Share Capital Portion of Non Controlling Interests	1,497.22	1,422.22
	<b>Total</b>	<b>1,423.25</b>	<b>1,171.90</b>

**Note - 19. BORROWINGS - NON-CURRENT****Non-Current Borrowings****1 Term Loans (Secured)**

From Banks

(i) The Federal Bank Ltd.

-

1,483.77

(ii) HDFC Bank Ltd.

554.43

700.74

**2 Preference Shares**

2,07,70,000 1% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up

-

2,077.00

(2,07,70,000 1% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up

as at 31<sup>st</sup> March, 2021)**Total****554.43****4,261.51****Notes:****19.1 Terms of repayment of Term Loans from HDFC Bank Ltd. (Race Polymer Arts LLP)**

- Term loans are secured by equitable mortgage (EM) of lands at revenue survey no. 949, 77 and 81 together with factory buildings constructed thereon at Mauje Gamanpura & Mitha, Village - Balol, Mehsana - Becharaji Road, Dist. Mehasana - 384410 Gujarat and also secured by hypothecation of Plant and Equipments, Inventories and Book Debts.
- Also Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP), and Shri Ashish Sharad kumar Nemani have given personal / corporate guarantee in favour of HDFC Bank Ltd.
- Term loans are repayable in 65 equal monthly instalments of ₹ 15.97 Lakhs (Principal and Interest) beginning from Feb, 2021 to June, 2026.
- Rate of interest @ 7.15% p.a. (Floating Rate)

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 20. OTHER FINANCIAL LIABILITIES - NON-CURRENT</b>			
1	Deposits by Dealers	2,680.71	2,727.71
2	Due to others	22.23	22.23
	<b>Total</b>	<b>2,702.94</b>	<b>2,749.94</b>

**Note - 21. PROVISIONS - NON-CURRENT****1 Provision for Employee Benefits**

(a) Provision for Leave Encashment

571.56

616.37

(b) Provision for Gratuity

7.11

6.20

**2 Provision for Tax**

Provision for Income Tax of earlier years

320.72

402.74

**Total****899.39****1,025.31**

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 22. DEFERRED TAX LIABILITIES (NET)</b>			
1	<b>Deferred Tax Liabilities</b> (Arising on account of temporary difference)		
(a)	Assets: Impact of difference between carrying value and tax base of Depreciable assets	3,587.55	3,828.31
(b)	Impact of difference between carrying value and tax base of Investments in Mutual Funds	672.88	494.36
(c)	Eliminated on Disposal and classified as held for Sale	(436.86)	-
	<b>Total Deferred Tax Liabilities (A)</b>	<b>3,823.57</b>	<b>4,322.67</b>
2	<b>Deferred Tax Assets</b> (Arising on account of temporary difference)		
(a)	Leave Encashment and Gratuity	212.38	212.70
(b)	Unused Tax Losses	-	41.14
(c)	Unabsorbed Depreciation in Income tax	669.23	970.81
(d)	Deferred Govt. Grant	4.39	4.39
(e)	Others	70.86	68.39
(f)	Elimination due to classification as held for Sale	(674.86)	-
	<b>Total Deferred Tax Assets (B)</b>	<b>282.00</b>	<b>1,297.43</b>
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>3,541.57</b>	<b>3,025.24</b>

**Reconciliation of Deferred Tax Liabilities (Net):**

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Opening Balance	3,025.24	2,994.98
Tax Expense/(Income) during the period recognised in Profit or Loss	209.53	35.26
Tax Expense/(Income) of Subsidiary (Classified as held for Sale)	107.56	-
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	(38.12)	(5.00)
Tax Expense/(Income) recognized in Other Comprehensive Income of Subsidiary (Classified as held for Sale)	(0.64)	-
Elimination due to classification as held for Sale	238.00	-
<b>Closing balance</b>	<b>3,541.57</b>	<b>3,025.24</b>

**Movements in DTA:**

Particulars	Leave Encashment and Gratuity	Unused Tax Losses	Depreciation Loss	Deferred Govt. Grant	Others	Total
At 1 <sup>st</sup> April, 2020	171.67	41.88	896.32	4.85	120.88	1,235.60
(Charged)/Credited:						
to Profit or Loss	36.03	(0.74)	74.49	(0.46)	(52.49)	56.83
to Other Comprehensive Income	5.00	-	-	-	-	5.00
At 31 <sup>st</sup> March, 2021	212.70	41.14	970.81	4.39	68.39	1,297.43
(Charged)/Credited :						
to Profit or Loss	(40.42)	-	-	-	2.47	(37.95)
to Profit or Loss of Subsidiary (Classified as held for Sale)	1.34	(41.14)	(301.58)	-	-	(341.38)
to Other Comprehensive Income	38.12	-	-	-	-	38.12
to Other Comprehensive Income (Net of tax) of Subsidiary (Classified as held for Sale)	0.64	-	-	-	-	0.64
Elimination due to classification as held for Sale	(5.63)	-	(669.23)	-	-	(674.86)
<b>At 31<sup>st</sup> March, 2022</b>	<b>206.75</b>	<b>-</b>	<b>-</b>	<b>4.39</b>	<b>70.86</b>	<b>282.00</b>

**Movements in DTL:**

Particulars	Assets : Impact of difference between carrying value and tax base of Depreciable assets	Impact of difference between carrying value and tax base of Investments in Mutual Funds	Total
At 1 <sup>st</sup> April, 2020	3,809.88	420.70	4,230.58
(Charged)/Credited:			
to Profit or Loss	18.43	73.66	92.09
At 31 <sup>st</sup> March, 2021	3,828.31	494.36	4,322.67
(Charged)/Credited:			
to Profit or Loss	(6.93)	178.52	171.59
to Profit or Loss of Subsidiary (Classified as held for Sale)	(233.83)	-	(233.83)
Elimination due to classification as held for Sale	(436.86)	-	(436.86)
<b>At 31<sup>st</sup> March, 2022</b>	<b>3,150.69</b>	<b>672.88</b>	<b>3,823.57</b>

**CERA**

**Consolidated Financial Statements** **Cera Sanitaryware Limited**

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Note - 23. OTHER NON-CURRENT LIABILITIES</b>			
	Deferred Govt. Grant (Capital Subsidy)	11.08	12.57
	<b>Total</b>	<b>11.08</b>	<b>12.57</b>
<b>Note - 24. BORROWINGS - CURRENT</b>			
<b>1</b>	<b>Borrowings Repayable on Demand</b>		
	(a) From State Bank of India (Cera Sanitaryware Limited-Secured) Cash Credit	1,677.17	1,242.99
	(b) From HDFC Bank Ltd. (Cera Sanitaryware Limited-Unsecured) Overdraft Working Capital	242.98	-
	(c) From The Federal Bank Ltd. (Anjani Tiles Limited) Cash Credit / WCDL	-	1,782.45
	(d) From HDFC Bank Ltd. (Race Polymer Arts LLP) Cash Credit	47.11	-
<b>2</b>	<b>Current Maturities of Long Term Debt</b>	<b>146.32</b>	<b>1,081.67</b>
	<b>Total</b>	<b>2,113.58</b>	<b>4,107.11</b>

**Notes :**

**24.1 Cash Credit Facilities From State Bank of India (Cera Sanitaryware Limited - Secured)**

(a) Primary Security

Cash Credit facilities from State Bank of India (SBI) are secured by exclusive hypothecation over entire Current Assets of the Company.

(b) Collateral Security

(i) Hypothecation of entire Fixed Assets including Plant and Machinery situated at Plot no. 9 GIDC, Industrial Estate, Kadi and windmills located at Village Kadoli, Dist: Kutch and at Kalyanpur, Dist: Jamnagar.

(ii) Equitable mortgage on land and buildings of Residential Colony at Kadi and factory land and buildings situated at Kadi factory.

(c) As per the sanction letter of SBI dated 28<sup>th</sup> January, 2022, the competent authority of the Bank has approved the release of above collateral securities if ECR does not fall below "AA" and the Company submitting negative Lien and Free Access Letter to the Bank in respect of factory land and buildings situated at Kadi factory. Accordingly, the Mortgage Release Deed has been executed by SBI on 29<sup>th</sup> April, 2022. Original documents of title of above properties will be handed over by the Bank in near future.

**Terms of Cash Credit facilities**

Rate of interest on various cash credit facilities is chargeable at 0.15% above 6 months MCLR (Present effective rate 7.10 % p.a.) and rate of interest on export packing credit facility is chargeable at ARR + 2 bps for 120 days).

**24.2 Overdraft Working Capital Facility - Unsecured (From HDFC Bank Ltd) (Cera Sanitaryware Limited)**

Rate of interest on overdraft working capital facility from HDFC Bank Ltd is 6.95%

**24.3 Cash Credit Facilities From HDFC Bank Limited (Race Polymer Arts LLP)**

All securities mentioned in Note No. 19.1 are also extended for Cash Credit facilities.

**Terms of Cash Credit facility**

Rate of interest on cash credit facility is chargeable at 7.15% p.a. (Floating Rate)

24.4 Monthly statements of current assets filed with banks are in agreement with books of account.



(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
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**Note - 25. TRADE PAYABLES - CURRENT**

1	Total outstanding dues of micro enterprises and small enterprises*	2,998.08	2,846.86
2	Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,349.14	12,689.03
	<b>Total</b>	<b>13,347.22</b>	<b>15,535.89</b>

\* Disclosure with respect to amount due to MSME is given in Note No. 45 and due to related parties is given in Note No. 41.

25.1 Ageing for Trade Payables - Current as at 31<sup>st</sup> March, 2022 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2,961.18	36.90	-	-	-	2,998.08
(ii) Others	9,236.57	1,069.17	1.00	19.90	22.50	10,349.14
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>12,197.75</b>	<b>1,106.07</b>	<b>1.00</b>	<b>19.90</b>	<b>22.50</b>	<b>13,347.22</b>

Ageing for Trade Payables - Current as at 31<sup>st</sup> March, 2021 is as follows: (₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2,798.15	28.14	20.57	-	-	2,846.86
(ii) Others	12,019.66	607.19	35.11	1.29	25.78	12,689.03
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>14,817.81</b>	<b>635.33</b>	<b>55.68</b>	<b>1.29</b>	<b>25.78</b>	<b>15,535.89</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
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**Note - 26. OTHER FINANCIAL LIABILITIES - CURRENT**

1	Unpaid dividends*	103.75	107.52
2	Retention money payable	175.16	175.81
3	Others		
(i)	Employee related payable	3,841.79	3,047.51
(ii)	Expenses payable	9,781.68	10,508.71
	<b>Total</b>	<b>13,902.38</b>	<b>13,839.55</b>

\* Not due for deposit in the Investor Education and Protection Fund

**Note - 27. OTHER CURRENT LIABILITIES**

1	Payable towards Statutory dues	1,530.59	1,147.71
2	Contract Liability - Advances received from Customers*	1,484.98	1,391.22
3	Deferred Govt. Grant (Capital Subsidy)	1.49	1.49
	<b>Total</b>	<b>3,017.06</b>	<b>2,540.42</b>

**27.1 \* Contract Liability - Advances received from Customers**

Opening Balance of Contract Liability	1,391.22	1,365.87
Add : Addition of Contract Liability - Advances received from Customers	1,484.98	1,391.22
Less : Revenue recognised during the reporting period	1,391.22	1,365.87
Closing Balance of Contract Liability	1,484.98	1,391.22

**Note - 28. CURRENT PROVISIONS**

1	Provision for Leave Encashment	238.36	245.21
2	Provision for Bonus / Ex Gratia	3.94	3.25
3	Provision for Gratuity	0.56	0.02
	<b>Total</b>	<b>242.86</b>	<b>248.48</b>

**Note - 29. CURRENT TAX LIABILITIES (NET)**

Provision for tax (Net)	684.66	439.45
<b>Total</b>	<b>684.66</b>	<b>439.45</b>

(₹ in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 30. REVENUE FROM OPERATIONS</b>		
<b>A Revenue from Contracts with Customers</b>		
(a) Sale of products (Building Products)	1,44,160.14	1,21,765.32
(b) Sale of services	52.70	44.34
	<u>1,44,212.84</u>	<u>1,21,809.66</u>
<b>B Other Operating Revenue</b>		
(a) Exports Incentives	80.91	27.96
(b) Insurance Claims Received	85.38	91.25
(c) Miscellaneous Operating Income	203.87	503.81
	<u>370.16</u>	<u>623.02</u>
<b>Total</b>	<u>1,44,583.00</u>	<u>1,22,432.68</u>

**Notes :****30.1 Disaggregation of Revenue**

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data:

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Product Type</b>		
Goods	1,44,160.14	1,21,765.32
After Sales Services	52.70	44.34
<b>Total</b>	<u>1,44,212.84</u>	<u>1,21,809.66</u>
<b>Contract Counterparties</b>		
Dealers	1,44,160.14	1,21,765.32
Direct to Consumers	52.70	44.34
<b>Total</b>	<u>1,44,212.84</u>	<u>1,21,809.66</u>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	1,44,212.84	1,21,809.66
<b>Total</b>	<u>1,44,212.84</u>	<u>1,21,809.66</u>

30.2 The expected credit loss recognised on receivables arising from the Group's contracts with customers is disclosed in Note No. 11.

30.3 The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 27 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 27.1.

30.4 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

30.5 For transactions with Related Parties : Refer Note No 41.

(₹ in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 31. OTHER INCOME</b>		
<b>1 Interest Income from Financial Assets at Amortised Cost</b>		
(a) On Security Deposits	16.60	14.23
(b) Others	309.03	303.30
<b>2 Other Non-operating Income</b>		
(a) Profit on redemption of Mutual Fund Units (Net)	93.01	63.99
(b) Net Gain on Fair Valuation of Investments	1,731.68	1,648.46
(c) Profit on Sale of Property, Plant and Equipment (Net)	-	30.16
(d) Net Gain on Foreign Currency Translation	10.24	-
(e) Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	53.36	115.26
(f) Miscellaneous Income	19.56	14.89
(g) Sales Tax Incentive	-	222.39
(h) Interest Subsidy	98.79	69.99
(i) Deferred Income on Capital Subsidy	1.49	1.49
(j) Gain on Termination of Lease (Net)	30.83	32.03
<b>Total</b>	<u>2,364.59</u>	<u>2,516.19</u>

(₹ in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 32. COST OF MATERIALS CONSUMED</b>		
Opening Stock*	2,542.81	2,735.87
Add : Purchases (Net)	22,623.63	13,048.68
<b>Sub Total</b>	<b>25,166.44</b>	<b>15,784.55</b>
Less : Closing Stock	3,766.53	3,062.44
<b>Total</b>	<b>21,399.91</b>	<b>12,722.11</b>

\* Elimination of Opening Stock of Raw Material of ₹ 519.63 Lakhs of subsidiary due to classification of assets as held for sale.

**Note - 33. PURCHASES OF STOCK IN TRADE**

Sanitaryware and other allied products	57,312.24	45,354.23
<b>Total</b>	<b>57,312.24</b>	<b>45,354.23</b>

**Note - 34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS****Inventories at the end of the year:**

Finished Goods	8,867.80	3,695.86
Work-in-progress	1,296.73	937.17
Stock-in-Trade	13,994.81	10,273.84
	<b>24,159.34</b>	<b>14,906.87</b>

**Inventories at the beginning of the year:**

Finished Goods*	2,619.70	7,837.22
Work-in-progress*	912.07	870.09
Stock-in-Trade	10,273.84	10,803.17
	<b>13,805.61</b>	<b>19,510.48</b>
<b>Total</b>	<b>(10,353.73)</b>	<b>4,603.61</b>

\* Elimination of Opening Stock of Finished Goods and Work-in-progress of ₹ 1,076.16 & ₹ 25.10 lakhs respectively of subsidiary due to classification of assets as held for sale.

**Note - 35. EMPLOYEE BENEFITS EXPENSE**

1 Salaries, Wages and Bonus	17,055.81	13,752.92
2 Contribution to Provident and other Funds	1,010.52	835.34
3 Staff and Labour Welfare Expenses	1,295.27	779.62
<b>Total</b>	<b>19,361.60</b>	<b>15,367.88</b>

**Note :**

35.1 As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plan :**

The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

**Defined Benefit Plan :**

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

**Gratuity :** The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Plan Features	
Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years

**Leave Encashment :** The benefits are governed by the Company's Leave Policy.

**Key Features**

Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	$(1/30) \times (\text{Basic Salary}) \times (\text{Leave Days})$
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

**Risks associated to the Plan (Gratuity and Leave Encashment)**

A. Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B. Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C. Liquidity Risk	Risks on account of Employees resignation / retirement from the company, resulting into strain on the cashflow.
D. Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E. Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

**Key Assumptions considered (Gratuity and Leave Encashment)**

**Actuarial Assumptions**

A. Discount Rate	7.25 % p.a
B. Salary Growth Rate	5.75 % p.a
C. Rate of Interest on Plan Assets	7.25 % p.a
D. Mortality	IALM 2012-14
E. Withdrawal Rate	6.00% p.a.

**Financial Assumptions**

A. Discount Rate	7.25 % p.a
B. Salary Growth Rate	5.75% p.a

**Demographic Assumptions**

A. Withdrawal Rate	6.00% p.a.
B. Mortality Rate	-

(₹ in lakhs)

Particulars	2021-22		2020-21	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	2,068.73	845.24	1,938.96	836.89
Current Service Cost	170.48	97.43	175.26	98.58
Interest Cost	149.98	61.28	130.88	56.49
Actuarial ( Gain ) / Losses recognised in Other Comprehensive Income	-	-	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumptions (Gain)	(76.89)	(27.40)	-	-
Due to Experience adjustments (Loss)	131.72	180.26	(43.48)	22.64
Benefits paid	(428.79)	(349.23)	(132.89)	(169.36)
Prior year Charge	-	-	-	-
Defined Benefit Obligation at year end	2,015.23	807.58	2,068.73	845.24

Particulars	2021-22		2020-21	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of Plan Assets at beginning of the year	2,071.80	-	1,938.96	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on Plan Assets	150.20	-	130.88	-
Actuarial Gain / (Loss)	59.93	-	6.47	-
Employer Contribution	384.80	-	128.38	-
Benefits paid	(428.79)	-	(132.89)	-
Fair Value of Plan Assets at year end	2,237.94	-	2,071.80	-
Return on Plan Assets recognised in				
Other Comprehensive Income (Gain) / Loss	(5.10)	-	(49.95)	-
Actual return on Plan Assets	210.14	-	137.35	-
<b>Reconciliation of fair value of assets and obligations</b>				
Fair value of Plan Assets	2,237.94	-	2,071.80	-
Present value of Obligation	2,015.23	807.58	2,068.73	845.24
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	222.71	(807.58)	3.07	(845.24)
<b>Expense recognized during the year</b>				
Current Service Cost	170.48	97.43	175.26	98.58
Interest Cost	149.98	61.28	130.88	56.49
Expenses deducted from the fund	-	-	-	-
Expected return on plan Assets	(150.20)	-	(130.88)	-
Net Cost	170.26	158.71	175.26	155.07
<b>Investment Details</b>				
<b>Debt Instruments</b>				
Government of India Securities	0.67%	-	37.04%	-
High Quality Corporate Bonds	4.56%	-	44.93%	-
State Government Securities	2.82%	-	2.75%	-
<b>Cash and Cash Equivalents</b>				
Fixed Deposits	-	-	-	-
Bank Balances	-	-	-	-
Special Deposit Scheme	0.39%	-	0.42%	-
<b>Investment Funds</b>				
Insurance Policies	91.56%	-	10.78%	-
<b>Others</b>				
Mutual Funds	-	-	4.08%	-

**Actuarial Assumptions**

	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Mortality Table				
Discount Rate	7.25%	7.25%	6.75%	6.75%
Expected Rate of Return	7.25%	-	6.75%	-
Rate of escalation in Salary	5.75%	5.75%	5.75%	5.75%

**Sensitivity Analysis**

Particulars	Changes in assumption	Increase in assumption			Decrease in assumption		
		Increase /	31 <sup>st</sup> March,	31 <sup>st</sup> March,	Increase /	31 <sup>st</sup> March,	31 <sup>st</sup> March,
		Decrease by	2022	2021	Decrease by	2022	2021
<b>Impact On Defined Benefit Obligation (Gratuity)</b>							
Discount Rate	1%	Decrease by	7%	8%	Increase by	8%	7%
Salary Growth Rate	1%	Increase by	8%	8%	Decrease by	7%	7%
Withdrawal Rate	1%	Increase by	1%	0%	Decrease by	1%	0%
<b>Impact On Defined Benefit Obligation (Leave Encashment)</b>							
Discount Rate	1%	Decrease by	6%	7%	Increase by	7%	6%
Salary Growth Rate	1%	Increase by	7%	7%	Decrease by	6%	6%
Withdrawal Rate	1%	Increase by	1%	0%	Decrease by	1%	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**Funding arrangements and funding policy :**

Gratuity liability is funded whereas leave Benefits Liability is not funded. There are no minimum funding requirements for Leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds , special deposit scheme etc., as per rules and regulations. Every year , the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**Amounts for the current and previous years are as follows**

(₹ in lakhs)		
Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>1 Gratuity (Funded)</b>		
Defined Benefit Obligation	2,015.23	2,068.73
Plan Assets	2,237.94	2,071.80
Surplus / (Deficit)	222.71	3.07
Experience adjustments on Plan Liability (Gain)/Loss	131.72	(43.48)
Experience adjustments on Plan Assets Gain	59.93	6.47
<b>2 Leave Encashment (Non-Funded)</b>		
Defined Benefit Obligation	807.58	845.24
Experience adjustments on Plan Liability (Gain)	180.26	22.64

Company's estimate of Contributions expected to be paid during Financial Year 2022-23 is as under:

- (i) **Defined Contribution Plan :**
- (a) Employer's contribution to Provident Fund 12% of Basic Salary
- (ii) **Defined Investment Plan :**
- (a) Gratuity 200.31
- (b) Leave Encashment -

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(₹ in lakhs)			
Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 36. FINANCE COSTS</b>			
1	Interest Costs		
	(a) Interest on Financial Liabilities	461.32	873.27
	(b) For Income Tax	53.36	54.39
2	Other Borrowing Costs	13.47	40.01
3	Net Loss on Foreign Currency Translation (attributable to finance cost)	-	5.19
	<b>Total</b>	<b>528.15</b>	<b>972.86</b>
<b>Note - 37. DEPRECIATION &amp; AMORTIZATION EXPENSE</b>			
1	Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	2,503.49	3,233.38
2	Amortization of Other Intangible Assets (Refer Note No. 5)	42.35	67.31
3	Depreciation on Right-of-use Assets (Refer Note No. 46(a))	694.90	656.40
	<b>Total</b>	<b>3,240.74</b>	<b>3,957.09</b>



(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 38. OTHER EXPENSES</b>			
1	Stores, Spares, Chemicals and Packing Materials Consumed	4,067.23	2,804.63
2	Power and Fuel	4,479.49	3,757.64
3	Repairs and Maintenance		
	- To Buildings	117.66	68.35
	- To Plant and Equipment	328.85	314.94
	- To Others	285.16	227.45
4	Auditors' Remuneration		
	- As Audit Fees	12.15	11.50
	- For Taxation matters	0.55	0.77
	- For Other services	5.96	5.24
	- For Reimbursement of expenses	0.35	0.39
5	Research & Development Expenses	188.94	123.42
6	Freight and Forwarding Expenses (Net)	8,318.88	7,677.98
7	Sales Promotion Expenses	6,582.54	5,922.91
8	Publicity & Advertisement Expenses	3,246.43	1,600.21
9	Bad Debts	-	16.00
10	Allowance for Expected Credit Loss - Trade Receivables	391.96	336.07
11	Allowance for Expected Credit Loss - Capital Advances	117.23	117.23
12	Rent Expenses	129.52	130.08
13	Insurance	1,342.62	1,323.42
14	Rates and Taxes	24.14	47.08
15	Loss on Sale of Property, Plant and Equipment (Net)	21.92	-
16	Directors' Commission	16.00	20.00
17	Directors' Sitting Fees	2.80	2.50
18	Foreign Exchange Fluctuations (Net)	6.20	7.22
19	Donation	5.26	2.65
20	CSR Expenses	291.03	316.57
21	Amortization of Prepaid Rentals	14.44	13.40
22	Deficit due to surrender of exemption granted to Provident Fund Trust (Refer Note No. 50)	328.47	-
23	Miscellaneous Expenses	3,663.79	3,731.47
	<b>Total</b>	<b>33,989.57</b>	<b>28,579.12</b>
<b>Note - 39. CURRENT TAX</b>			
	Current Tax	5,391.30	3,366.04
	<b>Total</b>	<b>5,391.30</b>	<b>3,366.04</b>

**Reconciliation of Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as is follows:**

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Accounting Profit before Income Tax</b>	<b>20,895.31</b>	<b>13,391.97</b>
Add : Interest Expense on Income Tax (Refer Note No. 36)	53.36	54.39
<b>Accounting Profit before Income Tax</b>	<b>20,948.67</b>	<b>13,446.36</b>
<b>India's Statutory Income Tax</b>	<b>5,333.17</b>	<b>3,558.35</b>
Due to Income exempt from Taxation	(21.26)	(22.59)
Non-Deductible Expenses for Tax purpose	1,346.03	1,131.01
Deductible Expenses for Tax purpose	(1,486.21)	(1,425.52)
Income not chargeable for Tax purpose	191.42	(41.91)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	221.95	226.77
Others	15.73	(24.81)
<b>Income Tax expense reported in the Statement of Profit and Loss</b>	<b>5,600.83</b>	<b>3,401.30</b>

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Note - 40. EARNINGS PER SHARE</b>			
1	Net Profit attributable to the Equity Shareholders (₹ in lakhs) (A)	15,109.58	10,077.34
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	1,30,05,874	1,30,05,874
3	Nominal value of Equity Shares (₹)	5.00	5.00
4	Basic/Diluted Earnings per Share (₹) (A/B)	116.18	77.48

The Group does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Group remains the same.

**Note - 41. RELATED PARTY DISCLOSURES****A. RELATED PARTY DISCLOSURES OF THE GROUP**

41.1 Name of the Related Parties & Nature of the Related Party Relationship with whom transactions have taken place during the reported period.

**(A) Associate Entities :**

Sr.No.	Name	Nature	Ownership Interest held by the Company directly or indirectly	
			As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	Milo Tile LLP	Associate	26%	26%

Sr. No.	Name	Designation
<b>(B) (i) Key Management Personnel of Parent Company :</b>		
1	Shri Vikram Somany	Chairman and Managing Director
2	Smt. Deepshikha Khaitan	Joint Managing Director
3	Shri Atul Sanghvi	Executive Director & CEO (ceased w.e.f. 14.10.2021)
4	Shri Anupam Gupta	Executive Director (Technical) (w.e.f. 15.10.2021)
5	Shri Ayush Bagla	Executive Director
6	Shri R.B.Shah	CFO & COO (Fin. & Comm.)
7	Shri Hemal Sadiwala	Company Secretary
8	Shri Sajan Kumar Pasari	Non Executive Independent Director
9	Shri Lalit Kumar Bohania	Non Executive Independent Director
10	Shri Jugal Kishore Taparia	Non Executive Independent Director (ceased w.e.f. 06.02.2021)
11	Shri Surendra Singh Baid	Non Executive Independent Director
12	Ms. Akriti Jain	Non Executive Independent Director

**(ii) Key Management Personnel of M/s Packcart Packaging LLP :**

1	Smt. Kinjal Bhatt	Designated Partner
2	Shri P. C. Surana (Nominee of Cera Sanitaryware Limited)	Designated Partner

**(iii) Key Management Personnel of M/s Race Polymer Arts LLP :**

1	Shri P. C. Surana (Nominee of Cera Sanitaryware Limited)	Designated Partner
2	Shri Ashish Sharadkumar Nemani (Nominee of Shreeyam Ceramics LLP)	Designated Partner

**(C) Other Related Parties:****(a) Relatives of Key Management Personnel of Parent Company**

1	Smt. Smiti Somany
2	Smt. Pooja Jain Somany

**(b) Enterprises significantly influenced by Key Management Personnel and / or their relatives****Parent Company**

1	Madhusudan Industries Limited
2	Cera Foundation
3	Indian Council of Sanitaryware Manufacturers

**Packcart Packaging LLP**

1	Goodluck Carriers LLP
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**Race Polymer Arts LLP**

1	Goodluck Carriers LLP
2	Golf Ceramics Limited
3	Mandav Paper Packaging LLP

**(c) Post Employment Benefit Plans****Parent Company**

1	Madhusudan Gratuity Fund
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## 41.2 Disclosures of Transactions during the year between the Group and Related Parties :

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate Entity		Key Management Personnel		Other Related Parties	
		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Revenue from Operations	-	73.05	-	-	374.54	89.75
2	Purchase of Goods	911.40	1,139.01	-	-	32.57	4.39
3	Investment in Shares	-	-	75.00	-	-	490.00
4	Donation	-	-	-	-	1.15	2.65
5	Remuneration	-	-	1,774.93	1,317.09	-	-
6	Consultancy Charges	-	-	-	12.21	-	-
7	Rent, Rates & Taxes	-	-	-	-	90.96	77.12
8	Other Service	-	-	18.80	22.50	17.83	21.33
9	Advances given	-	4.35	-	-	-	-
10	Contribution to Gratuity Fund	-	-	-	-	-	15.50
11	Share of Profit Paid	-	-	19.60	4.90	-	-
	Grand Total	911.40	1,216.41	1,888.33	1,356.70	517.05	700.74

41.3 The details of amounts due to or due from related parties as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 :

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	Trade Receivables		
	From Other Related Parties		
	Golf Ceramics Ltd.	49.83	14.97
	<b>Total Trade Receivables from Related Parties</b>	<b>49.83</b>	<b>14.97</b>
2	Trade Payables		
(a)	From Associate		
	Milo Tile LLP	392.64	158.57
	<b>Sub Total (a)</b>	<b>392.64</b>	<b>158.57</b>
(b)	From Other Related Parties		
	Anjani Vishnu Holdings Limited	-	0.49
	Hitech Print Systems Limited	-	0.10
	Goodluck Carriers LLP	0.12	0.58
	Mandav Paper Packaging LLP	9.82	0.64
	<b>Sub Total (b)</b>	<b>9.94</b>	<b>1.81</b>
	<b>Total Trade Payables to Related Parties (a + b)</b>	<b>402.58</b>	<b>160.38</b>
3	Other Financial Assets & Advances		
(a)	Associate		
	Milo Tile LLP (Refer Note No.15(iv))	70.80	70.80
	<b>Sub Total (a)</b>	<b>70.80</b>	<b>70.80</b>
(b)	Other Related Parties		
	Madhusudan Industries Limited	20.29	20.29
	<b>Sub Total (b)</b>	<b>20.29</b>	<b>20.29</b>
	<b>Balances of advances given to Related Parties (a + b)</b>	<b>91.09</b>	<b>91.09</b>

## 41.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year :

(₹ in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Investment in Shares	Anjani Vishnu Holdings Limited	-	490.00
2	Donation	Cera Foundation	1.15	2.65
3	Remuneration	Key Management Personnel	1,774.93	1,317.09
4	Rent, Rates & Taxes	Madhusudan Industries Limited	90.96	77.12
5	Other Services	Madhusudan Industries Limited	17.38	14.74
		Key Management Personnel	18.80	22.50
6	Advances given	Milo Tile LLP	-	4.35
7	Contribution to Gratuity Fund	Madhusudan Industries Limited	-	15.50
8	Share of Profit Paid	Smt. Kinjal Bhatt	19.60	4.90
9	Consultancy Charges	K Mohanraju	-	12.21

## 41.5 Breakup of compensation to Key Management Personnel:

(₹ in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
1	Short-Term Employee Benefits	Shri Vikram Somany	713.31	514.39
		Smt. Deepshikha Khaitan	281.72	230.87
		Shri Atul Sanghvi	135.45	245.57
		Shri Anupam Gupta	139.74	-
		Shri Ayush Bagla	213.22	134.95
		Shri R.B.Shah	132.85	97.35
		Shri Hemal Sadiwala	20.07	16.17
		Shri C V K Raju	-	45.51
		Shri K Nagabhushana Rao	-	7.18
		Ms. Richa Bhamotra (Upto 31.08.2021)	-	0.88
		Shri Mohammad Hafiz Mansoor (Up to 12.04.2021)	-	1.23
	Commission	Shri Sajan Kumar Pasari	4.00	4.00
		Shri Lalit Kumar Bohania	4.00	4.00
		Shri Jugal Kishore Taparia	-	4.00
		Shri Surendra Singh Baid	4.00	4.00
		Ms. Akriti Jain	4.00	4.00
	Sitting Fees	Shri Sajan Kumar Pasari	0.70	0.50
		Shri Lalit Kumar Bohania	0.70	0.50
		Shri Jugal Kishore Taparia	-	0.50
		Shri Surendra Singh Baid	0.70	0.50
		Ms. Akriti Jain	0.70	0.50
2	Post-Employment Benefits		-	-
3	Other Long-term Benefits	Shri Vikram Somany	21.30	16.13
		Shri Ayush Bagla	5.16	1.00
		Shri R.B.Shah	3.51	2.66
		Shri Atul Sanghvi	-	3.20
4	Termination Benefits	Shri Atul Sanghvi	108.60	-
	<b>Total</b>		<b>1,793.73</b>	<b>1,339.59</b>

41.6 Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31<sup>st</sup> March, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**B. RELATED PARTY DISCLOSURES OF SUBSIDIARY - ANJANI TILES LIMITED (ATL) (ASSETS AND LIABILITIES OF WHICH ARE CLASIFIED AS HELD FOR SALE)**

**41.7 Name of the Related Parties & Nature of the Related Party Relationship with whom transactions have taken place during the reported period.**

<b>(A) Key Management Personnel</b>		
1	Mr. Venkata Krishnam Raju Chintalapati	Chief Executive Officer & Non Executive Director
2	Mr. K Nagabhushana Rao	Chief Financial Officer
3	Mr. Mohammed Hafiz Mansoor	Company Secretary (Up to 12.04.2021)
4	Ms. R K Pooja	Company Secretary (From 01.08.2021)
5	Mr. Atul Sanghvi	Non Executive Director (Up to 21.10.2021)
6	Mr. Parthiv Aniruddh Dave	Non Executive Director (From 10.12.2021)
7	Mr. R B Shah	Non Executive Director
8	Mr. Abbey Vincent Rodrigues	Non Executive Director (Up to 20.12.2021)
9	Mr. Premchand Mangilal Surana	Non Executive Director (From 26.02.2022)
10	Mr. Mahesh Kumar Taparia	Non Executive Director (From 20.10.2021 to 26.02.2022)
11	Mr. Surendra Singh Baid	Independent Director
12	Mr. Parankusam Srinivas Ranganath	Independent Director
13	Mr. Kalidindi Mohan Raju	Non Executive Director

**(B) Other Related Parties:**

**(a) Enterprises significantly influenced by Key Management Personnel and / or their relatives**

- 1 Anjani Vishnu Holdings Limited
- 2 Hitech Print Systems Limited
- 3 Vennar Ceramics Limited

41.8 Disclosures of Transactions during the year of Anjani Tiles Limited with its Related Parties :

(₹ in lakhs)

Sr. No.	Nature of Transaction	Key Management Personnel	Other Related Parties
		Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2022
1	Purchase of Goods	-	37.40
2	Remuneration	64.19	-
3	Consultancy Charges	14.52	-
4	Other Service	-	6.01
5	Loan Received	-	1,653.50
6	Loan Repaid	-	90.50
7	Interest Expense	-	3.29
	<b>Total</b>	<b>78.71</b>	<b>1,790.70</b>

41.9 The details of amounts due to or due from related parties as at 31<sup>st</sup> March, 2022 of ATL :

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022
1	Trade Payables From Other Related Parties Anjani Vishnu Holdings Limited	11.10
	<b>Total Trade Payables to Related Parties</b>	<b>11.10</b>
2	Other Financial Assets & Advances From Other Related Parties Anjani Vishnu Holdings Limited	1,566.29
	<b>Total Other Financial Assets &amp; Advances</b>	<b>1,566.29</b>

41.10 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year of ATL:

(₹ in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31 <sup>st</sup> March, 2022
1	Loan Received	Anjani Vishnu Holdings Limited	1,653.50
2	Loan Repaid	Anjani Vishnu Holdings Limited	90.50
3	Interest Expense	Anjani Vishnu Holdings Limited	3.29
4	Consultancy Charges	K Mohanraju	14.52

41.11 Breakup of compensation to Key Management Personnel

(₹ in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended 31 <sup>st</sup> March, 2022
1	Short-Term Employee Benefits	Shri C V K Raju	54.12
		Shri K Nagabhushana Rao	8.40
		Shri Mohammad Hafiz Mansoor (Up to 12.04.2021)	0.07
		Ms.R.K.Pooja (w.e.f. 01.08.2021)	1.60
	<b>Total</b>		<b>64.19</b>

**Note – 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Overview:**

The Group's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Group's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Group to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Group's principal financial liabilities comprise of trade and other payables. The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimize the potential adverse effects of financial market on the Group's performance are outlined hereunder:

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management is carried out by the management in consultation with the Board of Directors and the Risk Management Committee. They provide principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(A) Credit Risk:**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Group establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables, advances and investments.

**(i) Trade Receivables:**

The Group extends credits to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdictions and industries and operate in large independent markets. The Group also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Group generally does not hold any collateral or other credit enhancements over any of its trade receivables excepting a small amount in the nature of security deposits from dealers, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

**Expected Credit Loss (ECL):**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for internal and external information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
0-3 months	Nil	
3-6 months	Nil	
6-12 months	Nil	
Beyond 12 months	10 to 25	
(₹ in lakhs)		
Period	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Ageing of past dues receivables:</b>		
0-3 months	13,184.59	16,822.01
3-6 months	256.68	795.17
6-12 months	712.09	301.06
Beyond 12 months	3,603.28	3,973.99
<b>Ageing of impaired trade receivables:</b>		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months	1,279.88	945.53



**(ii) Cash and cash equivalents and short-term investments:**

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Group does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets / (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets*</b>					
Trade receivables	11	16,476.76	-	-	16,476.76
Others	7, 14	477.27	1,096.23	-	1,573.50
Current investments	10	52,715.60	-	-	52,715.60
Cash and cash equivalents	12	1,389.63	-	-	1,389.63
Other bank balances	13	104.43	-	-	104.43
<b>Total</b>		<b>71,163.69</b>	<b>1,096.23</b>	<b>-</b>	<b>72,259.92</b>
<b>Financial Liabilities*</b>					
Borrowings - Non-Current	19	-	554.43	-	554.43
Borrowings - Current	24	2,113.58	-	-	2,113.58
Current payables	25, 26	27,249.60	-	-	27,249.60
Non-current payables	20	-	2,702.94	-	2,702.94
<b>Total</b>		<b>29,363.18</b>	<b>3,257.37</b>	<b>-</b>	<b>32,620.55</b>

\* Excluding Financial Assets classified as held for sale and excluding Financial Liabilities directly associated with the assets classified as held for sale

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets</b>					
Trade receivables	11	20,946.70	-	-	20,946.70
Others	7, 14	2,657.71	1,412.22	-	4,069.93
Current investments	10	43,404.61	-	-	43,404.61
Cash and cash equivalents	12	767.33	-	-	767.33
Other bank balances	13	273.70	-	-	273.70
<b>Total</b>		<b>68,050.05</b>	<b>1,412.22</b>	<b>-</b>	<b>69,462.27</b>
<b>Financial Liabilities</b>					
Borrowings - Non-Current	19	-	4,261.51	-	4,261.51
Borrowings - Current	24	4,107.11	-	-	4,107.11
Current payables	25, 26	29,375.44	-	-	29,375.44
Non-current payables	20	-	2,749.94	-	2,749.94
<b>Total</b>		<b>33,482.55</b>	<b>7,011.45</b>	<b>-</b>	<b>40,494.00</b>

**(C) 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 three types of risks: foreign currency risk, interest risk and other price risk such as commodity risk.

**(i) 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 and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Group does not enter into financial instrument transactions for trading or speculative purpose.

The Group transacts business primarily in Indian Rupees, USD, Euro and GBP. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakhs)			
Particulars	Currency	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade receivables	USD	2.32	4.53
Trade payables	USD	0.32	1.42
	EUR	0.02	-
	NPR	-	2.02
	AED	0.05	0.25
Advance to suppliers	USD	0.87	0.97
	EUR	0.30	0.17
	GBP	0.04	-
Advance from customers	USD	0.59	1.60
Balance in EEFC account	USD	1.80	1.75

(in ₹)		
Currency Rate	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
USD	75.7416	73.1670
EUR	84.1158	85.8293
AED	20.6240	19.9229
GBP	99.4238	100.9569
NPR	0.6250	0.6250

Of the above foreign currency exposures, following exposures are not hedged:

(in lakhs)			
Particulars	Currency	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Trade receivables	USD	2.32	4.53
Trade payables	USD	0.32	1.42
	EUR	0.02	-
	NPR	-	2.02
	AED	0.05	0.25
Advance to suppliers	USD	0.87	0.97
	EUR	0.30	0.17
	GBP	0.04	-
Advance from customers	USD	0.59	1.60
Balance in EEFC account	USD	1.80	1.75

**Sensitivity Analysis:**

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in lakhs)

Particulars	Change in currency exchange rate	Effect on Profit before tax 31 <sup>st</sup> March, 2022	Effect on Profit before tax 31 <sup>st</sup> March, 2021
USD	5%	15.45	15.46
	-5%	(15.45)	(15.46)
EUR	5%	1.18	0.73
	-5%	(1.18)	(0.73)
NPR	5%	-	(0.06)
	-5%	-	0.06
AED	5%	(0.05)	(0.25)
	-5%	0.05	0.25
GBP	5%	0.20	-
	-5%	(0.20)	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

**(ii) Interest Rate Risk:**

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below:

(₹ in lakhs)

Particulars	Change in interest rate	Effect on Profit before tax 31 <sup>st</sup> March, 2022	Effect on Profit before tax 31 <sup>st</sup> March, 2021
Non-current & Current Borrowings	0.50%	(19.78)	(31.46)
	-0.50%	19.78	31.46

**(iii) Commodity Risk:**

The Group is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Group has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Group enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

**Capital Management:**

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note No. 19, 24 and 26, cash and cash equivalents and current investments and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Group. The Group is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

**Note - 43. FINANCIAL INSTRUMENTS\***

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's Financial Instruments.

(₹ in lakhs)

Particulars	Carrying value		Fair value		Fair value measurement using
	As at 31 <sup>st</sup> March, 22	As at 31 <sup>st</sup> March, 21	As at 31 <sup>st</sup> March, 22	As at 31 <sup>st</sup> March, 21	
<b>Financial Assets</b>					
<b>Financial assets measured at fair value</b>					
<b>Current</b>					
Investments	52,715.60	43,404.61	52,715.60	43,404.61	Level 1
<b>Financial assets measured at amortized cost</b>					
<b>Non-Current</b>					
Investments in Associates	822.56	821.80	822.56	821.80	Level 3
Other Investments	2,675.41	3,199.73	2,675.41	3,199.73	Level 3
Bank FDs with more than 12 months maturity (at amortised cost)	-	605.50	-	605.50	Level 3
Margin Money Deposits held as security against Borrowings with more than 12 months maturity	950.84	519.20	950.84	519.20	Level 3
Security Deposit	145.39	287.52	145.39	287.52	Level 3
<b>Current</b>					
Security Deposit	150.69	183.65	150.69	183.65	Level 3
Trade receivables	16,476.76	20,946.70	15,474.41	20,051.20	Level 3
Cash and cash equivalents	1,389.63	767.33	1,389.63	767.33	Level 3
Other Balances with Banks	104.43	273.70	104.43	273.70	Level 3
Insurance claims receivables	92.00	99.20	92.00	99.20	Level 3
Advances	45.27	59.63	45.27	59.63	Level 3
Interest accrued and receivable	90.36	104.96	90.36	104.96	Level 3
Incentive / Grants receivable from Government (Power & VAT/CST/SGST/Interest Subsidy)	98.95	2,210.27	98.95	2,210.27	Level 3
<b>Total</b>	<b>75,757.89</b>	<b>73,483.80</b>	<b>74,755.54</b>	<b>72,588.30</b>	
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
<b>Non-Current</b>					
Borrowings	554.43	4,261.51	554.43	4,261.51	Level 3
Lease liabilities	1,200.19	1,095.44	1,200.19	1,095.44	Level 3
Deposits by Dealers	2,680.71	2,727.71	2,680.71	2,727.71	Level 3
Other financial liabilities	22.23	22.23	22.23	22.23	Level 3
<b>Current</b>					
Borrowings	2,113.58	4,107.11	2,113.58	4,107.11	Level 3
Trade payables	13,347.22	15,535.89	13,347.22	15,535.89	Level 3
Lease liabilities	652.86	538.79	652.86	538.79	Level 3
Unpaid dividends	103.75	107.52	103.75	107.52	Level 3
Retention money payable	175.16	175.81	175.16	175.81	Level 3
Employee related payables	3,841.79	3,047.51	3,841.79	3,047.51	Level 3
Expenses payables	9,781.68	10,508.70	9,781.68	10,508.70	Level 3
<b>Total</b>	<b>34,473.60</b>	<b>42,128.22</b>	<b>34,473.60</b>	<b>42,128.22</b>	

\* Excluding Financial Assets classified as held for sale and excluding Financial Liabilities directly associated with the assets classified as held for sale

**Notes:**

43.1 All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There have been no transfers between Level 2 and Level 3 during the period.

- 43.2 The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 43.3 The Group determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.
- 43.4 The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.
- 43.5 The following methods and assumptions were used to estimate the fair values:
- The fair value of the Group's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
  - The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

**Note - 44. MOVEMENT IN PROVISIONS**

Disclosure of Movement in Provisions during the year as per Ind AS- 37, Provisions, Contingent Liabilities and Contingent Assets :

(₹ in lakhs)

Particulars	Balance as on 1 <sup>st</sup> April, 2021	Provided/ Transferred during the year	Paid/Adjusted during the year	Balance as on 31 <sup>st</sup> March, 2022
<b>Non-current Provisions</b>				
For Accumulated leaves	616.37	76.88	121.69	571.56
For Gratuity	6.20	0.91	-	7.11
Income Tax of earlier years	402.74	-	82.02	320.72
<b>Total</b>	<b>1,025.31</b>	<b>77.79</b>	<b>203.71</b>	<b>899.39</b>
<b>Current Provisions</b>				
For Accumulated leaves	245.21	239.76	246.61	238.36
For Gratuity	0.02	0.54	0.00	0.56
For Bonus / Exgratia	3.25	4.64	3.95	3.94
<b>Total</b>	<b>248.48</b>	<b>244.94</b>	<b>250.56</b>	<b>242.86</b>
<b>Grand total</b>	<b>1,273.79</b>	<b>322.73</b>	<b>454.27</b>	<b>1,142.25</b>

**Note - 45. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES**

The dues of Micro Enterprises and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount due to micro enterprises and small enterprises	2,998.08	2,846.86
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006".	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**Note - 46. COMMITMENTS AND CONTINGENCIES****(a) Leases**

The Group has adopted Ind AS 116, effective from annual reporting period beginning 1<sup>st</sup> April, 2021 and applied the Standard to its leases, using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1<sup>st</sup> April, 2019). Changes in Lease payments during the reporting period, on account of rent concession due to COVID 19 pandemic is considered as Lease modification.

- (i) Changes in the carrying value of right-of-use assets. (₹ in lakhs)

Particulars	Category of Right-of-use asset	
	Land	Buildings
Balance as at 1 <sup>st</sup> April, 2020	9.25	1,750.87
Additions during the year	-	457.44
Termination during the year	-	(149.57)
Depreciation	(0.59)	(655.81)
Remeasurement of lease liability due to lease modifications	-	(34.02)
Balance as at 31 <sup>st</sup> March, 2021	8.66	1,368.91
Additions during the year	-	1,028.51
Terminations during the year	-	(110.13)
Depreciation	(0.60)	(694.30)
Remeasurement of lease liability due to lease modifications	-	(18.25)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>8.06</b>	<b>1,574.74</b>

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 37)

- (ii) Movement in Lease Liabilities : (₹ in lakhs)

Particulars	Buildings	
	2021-22	2020-21
<b>Opening Balance</b>	<b>1,634.23</b>	1,967.54
Finance cost accrued during the year	203.02	181.62
Additions during the year	1,028.51	457.44
Terminations during the year	(140.96)	(181.63)
Payment of lease liabilities	(853.50)	(756.72)
Remeasurement of lease liability due to Lease modifications	(18.25)	(34.02)
<b>Closing Balance</b>	<b>1,853.05</b>	1,634.23

- (iii) Break-up of current and non-current lease liabilities. (₹ in lakhs)

Particulars	Buildings	
	2021-22	2020-21
Non-current lease liabilities	1,200.19	1,095.44
Current lease liabilities	652.86	538.79
<b>Total</b>	<b>1,853.05</b>	1,634.23

- (iv) Contractual maturities of lease liabilities on discounted basis : (₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Not later than one year	652.86	538.79
Later than one year but not later than five years	1,169.45	959.74
Later than five years	30.74	135.70
<b>Total</b>	<b>1,853.05</b>	1,634.23

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
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**(b) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) 338.45 202.36

**(c) Contingent Liabilities**

Claims against the Company not acknowledged as debts (Net of Payments) 765.61 70.99  
Dividend on 1% Cumulative Preference Shares 65.53 41.54  
Letters of Credit (Foreign & Inland) opened and guarantees given (Net) 1,751.41 4,160.57



**Note - 47. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:****For Associates**

(₹ in lakhs)

Particulars	Milo Tile LLP	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investments</b>		
At the beginning of the year	821.80	817.04
Add: Share of Profit during the year	0.76	4.76
Impairment of Investment	-	-
<b>At the end of the year</b>	<b>822.56</b>	<b>821.80</b>
<b>Loans &amp; advances*</b>		
At the beginning of the year	70.80	66.45
Addition during the year	-	4.35
Recovered during the year	-	-
<b>At the end of the year</b>	<b>70.80</b>	<b>70.80</b>

\*The Parent Company has given advances towards future purchases.

**Note - 48. DIVIDENDS PAID AND PROPOSED**

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
	<b>Dividend on Equity Shares</b>		
(a)	<b>Declared and paid during the year :</b>		
	Final dividend for FY 2020-21: ₹ 13 per share (FY 2019-20 : ₹ Nil per share)	1,690.76	-
(b)	<b>Proposed for approval at the annual general meeting (not recognised as a liability) :</b>		
	Final dividend for FY 2021-22: ₹ 20 per share (FY 2020-21: ₹ 13 per share)	2,601.17	1,690.76
	Special dividend for FY 2021-22: ₹ 15 per share (FY 2020-21: ₹ Nil per share)	1,950.88	-

**Note - 49. RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development expenditure incurred is set out below:

(₹ in lakhs)

Sr. No.	Particulars	2021-22	2020-21
1	Capital expenditure	1.44	1.72
2	Revenue expenditure	188.94	123.42

**Note - 50. DEFICIT DUE TO SURRENDER OF EXEMPTION GRANTED TO PF TRUST :**

- The Parent Company was granted Exemption for certain employees under Para 27 of the Employees' Provident Fund Scheme, 1952. (EPF Scheme, 1952).
- Because of drastic reduction in rate of return on investments as compared to the rate declared by the Government for employees PF in last 3 to 4 years, the Parent Company had to make additional Contribution / provision for the deficit sustained, as a legal or constructive obligation. Further, credit risk, interest risk, default risk also increased in the recent past in Bond market.
- The Parent Company had therefore submitted application dated 14<sup>th</sup> February, 2022 for surrender of exemption granted w.e.f. 1<sup>st</sup> March, 2022 pursuant to resolution passed by the Board of Directors of the Company on 26<sup>th</sup> October, 2021, followed by resolution passed by the Board of Trustees of Madhusudan Provident Fund Institution (MPFI) on 28<sup>th</sup> November, 2021.
- By an Order dated 9<sup>th</sup> March, 2022, the Regional PF Commissioner withdrew the exemption granted under Para 27 of the Employees' Provident Scheme (EPF Scheme) with effect from 1<sup>st</sup> March, 2022. The Trust was also required to transfer the Corpus in the name of Central Board of Trustees, EPFO and any loss incurred by MPFI was borne by the Company as per the Order of RPFC. The Parent Company was also directed to comply as an un-exempted establishment w.e.f. 1<sup>st</sup> March, 2022. In this process, the Parent Company incurred loss of ₹ 328.47 lakhs on liquidation of the securities comprised in the Corpus of MPFI which is recognised in Note No. 38.

**Note - 51. OPERATING SEGMENTS**

The Parent Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segments as required under IND AS 108 "Operating Segment".

The Revenue from transactions with the single external customer amounting to 10% or more of the Company's Revenue is Nil.

**Note - 52.**

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

NOTE - 53. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III TO COMPANIES ACT, 2013 AS AT 31<sup>ST</sup> MARCH, 2022

(₹ in Lakhs)

Name of the entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	₹	As % of Consolidated Profit or Loss	₹	As % of Consolidated Other Comprehensive Income	₹	As % of Consolidated Total Comprehensive Income	₹
<b>Parent</b>								
Cera Sanitaryware Limited	99.07%	1,00,574.57	98.85%	14,935.98	100.29%	(110.57)	98.84%	14,825.41
<b>Subsidiaries</b>								
<b>Indian</b>								
Packcart Packaging LLP	0.24%	247.25	0.50%	77.00	-1.01%	1.11	0.52%	78.11
Anjani Tiles Limited	1.57%	1,589.52	-	-	-	-	-	-
Race Polymer Arts LLP	1.48%	1,495.05	2.00%	301.90	0.43%	(0.47)	2.01%	301.43
<b>Sub Total</b>	<b>3.29%</b>	<b>3,331.82</b>	<b>2.50%</b>	<b>378.90</b>	<b>-0.58%</b>	<b>0.64</b>	<b>2.53%</b>	<b>379.54</b>
<b>Associates (Investment as per Equity method)</b>								
<b>Indian</b>								
Milo Tile LLP	-	-	0.01%	0.76	-	-	0.01%	0.76
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>0.01%</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>0.01%</b>	<b>0.76</b>
<b>Total</b>	<b>102.36%</b>	<b>1,03,906.39</b>	<b>101.36%</b>	<b>15,315.64</b>	<b>99.71%</b>	<b>(109.93)</b>	<b>101.38%</b>	<b>15,205.71</b>
Non-Controlling Interests in Subsidiaries	1.40%	1,423.25	-1.22%	(185.66)	0.29%	(0.32)	-1.24%	(185.98)
Adjustments arising out of consolidation	-3.76%	(3,814.47)	-0.14%	(20.40)	-	-	-0.14%	(20.40)
<b>Total</b>	<b>100.00%</b>	<b>1,01,515.17</b>	<b>100.00%</b>	<b>15,109.58</b>	<b>100.00%</b>	<b>(110.25)</b>	<b>100.00%</b>	<b>14,999.33</b>

**Note - 54.**

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> May, 2022

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
  
**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Anupam Gupta** (DIN:09290890) Executive Director (Technical)  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director

## 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)

Sr.No.	Particulars	Details	Details	Details
1.	Name of the Subsidiary	ANJANI TILES LIMITED	PACKCART PACKAGING LLP	RACE POLYMER ARTS LLP
2.	Date since when Subsidiary was acquired	23.11.2015	24.06.2016	09.05.2018
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Period ending on 31 <sup>st</sup> March, 2022	Period ending on 31 <sup>st</sup> March, 2022	Period ending on 31 <sup>st</sup> March, 2022
4.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share Capital	2,000.00	178.00	877.55
6.	Reserves & surplus	(410.48)	69.25	617.50
7.	Total Assets	12,734.03	561.36	2,741.85
8.	Total Liabilities (Including Sr.no. 5 & 6)	12,734.03	561.36	2,741.85
9.	Investments	Nil	Nil	Nil
10.	Turnover	10,192.26	1,695.61	3,989.87
11.	Profit before Taxation	578.45	120.83	467.62
12.	Less : Provision for Taxation	(107.56)	43.84	165.71
13.	Profit / (Loss) after Taxation	470.89	76.99	301.91
14.	Proposed Dividend	Nil	Nil	Nil
15.	Extent of Shareholding (in percentage) - Equity - Preference	51% 39.56%	Share 51% -	Share 51% -

## Notes:

- The Anjani Tiles Limited has commenced its commercial operations w.e.f. 1<sup>st</sup> April, 2016.
- The Company has entered into Memorandum of Understanding (MOU), Share Purchase Agreement (SPA) and Share Escrow Agreement with Federal Bank Ltd. by and amongst Cera Sanitaryware Limited, Anjani Vishnu Holdings Ltd. (Joint Venture Partner and Acquirer Company) and Anjani Tiles Limited (ATL)(Subsidiary Company) for divestment of entire stake in equity and preference shares held in ATL to be completed on or before 31<sup>st</sup> March, 2023.

## Part "B" : Associates and Joint Ventures

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

	Name of Associates / Joint Ventures	N.A.
1.	Latest Audited Balance Sheet Date	
2.	Date on which the Associates or Joint Venture was associated or acquired	
3.	Shares of Associates / Joint Ventures held by the Company on the year end	
	No.	
	Amount of Investment in Associates / Joint Ventures	
	Extent of Holding (in percentage)	
4.	Description of how there is significant influence	
5.	Reason why the Associate / Joint Venture is not consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

**Note:** No Associates or joint venture has been liquidated or sold during the year.

**Rajesh B. Shah**

CFO & COO

(Fin. & Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

Place : Ahmedabad

Date : 10<sup>th</sup> May, 2022

**Vikram Somany**

(DIN:00048827) Chairman and Managing Director

**Deepshikha Khaitan**

(DIN:03365068) Joint Managing Director

**Anupam Gupta**

(DIN:09290890) Executive Director (Technical)

**Ayush Bagla**

(DIN:01211591) Executive Director

**Sajan Kumar Pasari**

(DIN:00370738) Director

**Lalit Kumar Bohania**

(DIN:00235869) Director

**Akriti Jain**

(DIN:08259413) Director

## New Arrival - Faucets

### VINE COLLECTION

- **ERGONOMIC DESIGN**
- **AERATED STREAM**  
For a foam flow Water saving  
Zero splash
- **TESTED FOR 3,00,000 CYCLES**  
For uninterrupted experience
- **CHROME PLATING**  
Everlasting shine, Easy to clean  
Resists stains
- **COORDINATED DESIGN**  
Designs coordinate with sanitaryware  
product range
- **FEATHER TOUCH**  
Designed to uncomplicate  
product functions



### CHROMO COLLECTION

- **ERGONOMIC DESIGN**
- **AERATED STREAM**  
For a foam flow Water saving  
Zero splash
- **TESTED FOR 3,00,000 CYCLES**  
For uninterrupted experience
- **CHROME PLATING**  
Everlasting shine, Easy to clean  
Resists stains
- **COORDINATED DESIGN**  
Designs coordinate with sanitaryware  
product range
- **FEATHER TOUCH**  
Designed to uncomplicate  
product functions



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CIN: L26910GJ1998PLC034400