

## Annexure - VIII 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.

## 2) Board of Directors

The Board comprises of a Chairman and Managing Director, a Vice Chairperson (Non - Executive), an Executive Director, 4 (Four) Independent Directors and 1 (One) Non-Executive Director.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

During the year, 5 (five) Board Meetings were held on 03.05.2016, 12.07.2016, 29.07.2016, 13.10.2016 and 07.02.2017.

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

The composition of Board of Directors and 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 director-ship	No. of Other Committee Membership
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	5	YES	1	—
2.	Smt. Deepshikha Khaitan	Vice Chairperson Non-Executive Promoter Director	5	YES	3	—
3.	Shri Sajjan Kumar Pasari	Non-Executive Independent Director	3	NO	9	—
4.	Dr. K N Maiti	Non-Executive Director	2	YES	—	—
5.	Shri Govindbhai P Patel	Non-Executive Independent Director	2	YES	—	—
6.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	3	NO	13	—
7.	Shri J. K. Taparia*	Non-Executive Independent Director	2	Yes	1	—
8.	Shri Atul Sanghvi	Executive Director	5	YES	2	—

\* Shri J.K. Taparia appointed as Additional Director (Independent) w.e.f. 29<sup>th</sup> July, 2016

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 by way of presentations and discussions during the meeting.

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

All Independent Directors are experienced and competent from their respective field. They actively participate in the Board and Committee which gives significant value addition in the decision making process. Familiarization programs imparted to independent directors is posted on company's website [www.cera-india.com](http://www.cera-india.com)

## Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulations of the 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 judgement, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who 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, the Independent Directors met on 10.03.2017 inter alia, to discuss:

- Evaluation of the performance of Independent directors, Non-Independent Directors, Executive Director, the Board of Directors as a whole and Key Managerial Personnel;
- Evaluation of the performance of the Chairman and 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.

## 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, Senior Managerial Personnel 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.

#### 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)

#### Risk management Policy

The Board of directors has framed, approved and implemented Risk Management Policy of the Company including identification and element of risks.

### 3) Audit Committee

The Audit Committee, consists of 5 (Five) directors, namely Shri J. K. Taparia - Chairman (Independent), Shri Govindbhai P. Patel (Independent), Shri Vikram Somany, Shri Sajan Kumar Pasari (Independent) and Shri Lalit Kumar Bohania (Independent). During the year, 4 (four) Audit Committee Meetings were held on 30.04.2016, 12.07.2016, 13.10.2016 and 07.02.2017.

#### 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.

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	4	2
Shri Sajan Kumar Pasari	4	1
Shri Lalit Kumar Bohania	4	2
Shri Govindbhai P. Patel	4	3
Shri J. K. Taparia	4	2

### 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, consists of 4 (Four) directors namely, Shri Govindbhai P. Patel – Chairman (Independent), Shri Vikram Somany, Shri Lalit Kumar Bohania (Independent), Shri Sajan Kumar Pasari (Independent) and Shri J.K. Taparia (Independent).

The Committee fixes the Remuneration of Whole Time Directors, which include all elements of remuneration package i.e. salary, benefits, 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. During the year under review, 3 (Three) Nomination and Remuneration Committee Meetings were held on 03.05.2016, 12.07.2016 and 07.02.2017.

Name of Director	No. of Meetings	
	Held	Attended
Shri Govindbhai P. Patel	3	-
Shri Vikram Somany	3	3
Shri Lalit Kumar Bohania	3	3
Shri Sajan Kumar Pasari	3	3
Shri J. K. Taparia	3	-

Independent Directors are appointed and their performance is 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. Executive Directors are preferably promoted from within the Company based on above criteria.

The committee recommends appointment of directors to the Board.

### 5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, consists of 4 (Four) directors namely, Shri Vikram Somany – Chairman, Shri J. K. Taparia (Independent), Shri Atul Sanghvi and Smt. Deepshikha Khaitan.

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.

Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure.

During the year under review, two meetings were held on 03.05.2016 and 13.10.2016.

### 6) 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 and his 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.

### 7) Details of remuneration for the year ended 31.03.2017

#### (i) Managing Director / Whole-time Director(s)

Name and Designation	Remuneration ( ` )	Perquisites and Retirement benefits ( ` )	Commission ( ` )
Shri Vikram Somany Chairman and Managing Director	4,54,64,500	51,24,827	—
Shri Atul Sanghvi Executive Director	1,64,65,601	11,43,368	—

Performance incentive to the 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.

The Company has entered into contract with the above directors. Whole-time Directors' appointment is for a period of 3/5 years. The Whole Time 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 Whole Time Director/s except Chairman and Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

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

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

The Whole Time Directors are not entitled to the sitting fees for attending the Board / Committee Meetings.

## (ii) Non-Executive Directors

The company has passed the resolution at the Annual General Meeting held on 12.09.2012 for the payment of commission not exceeding 1% p.a. of the net profit of the Company. The commission is to be distributed among the directors not in whole time employment of the Company in such manner, as the Board of directors may determine from time to time. The commission will be paid to the Non-Executive Directors on approval of accounts by the members of the Company at ensuing AGM. The details of commission to be paid and sitting fees paid to them for the year 2016-17 are as under:

Name	Sitting Fees ( <sup>₹</sup> )	Commission ( <sup>₹</sup> )
Shri Sajjan Kumar Pasari	30,000	2,00,000
Dr. K.N. Maiti	20,000	2,00,000
Shri Lalit Kumar Bohania	30,000	2,00,000
Shri J. K. Taparia	20,000	2,00,000
Shri Govindbhai P. Patel	20,000	2,00,000
Smt. Deepshikha Khaitan	50,000	2,00,000
<b>TOTAL</b>	<b>1,70,000</b>	<b>12,00,000</b>

Dr.K.N. Maiti is also paid consultancy fees of ₹ 55,00,000/- as ceramic scientist as per the approval of Nominations and Remuneration Committee.

## (iii) Shareholding of Non-Executive Directors

Name	No. of Shares held	% of total shareholding
Shri Sajjan Kumar Pasari	236696	1.82
Dr. K. N. Maiti	Nil	Nil
Shri Lalit Kumar Bohania	Nil	Nil
Shri J. K. Taparia	Nil	Nil
Shri Govindbhai P. Patel	Nil	Nil
Smt. Deepshikha Khaitan	239116	1.84

## 8) Share Transfer Committee

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had delegated the powers of share transfers to the Share Transfer Committee. In order to expedite the process of share transfers / transmissions / splits / consolidation, the Committee meets at least once in 10-15 days.

The Share transfer committee, consists of three directors namely Shri Atul Sanghvi-Chairman, Shri Govindbhai P. Patel and Dr. K. N. Maiti.

## Share Transfer Agent

The Company has appointed MCS Share Transfer Agent Limited, a SEBI registered Share Transfer Agent as Registrar and Share Transfer Agent.

## 9) Stakeholders Relationship Committee

The Stakeholders Relationship Committee, consists of three directors namely Shri Govindbhai P. Patel – Chairman, Shri Atul Sanghvi and Dr. K. N. Maiti.

All investor complaints, which can not be settled at the level of Company Secretary and Compliance Officer, are forwarded to the Stakeholders Relationship Committee for final settlement.

During the year 2016-17, the Company had received 10 complaints from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31.03.2017, which is not attended / replied by the Company.

The Company confirms that there were no share transfers lying pending as on date which were received upto 31.03.2017 and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

During the year, one meeting was held on 30.04.2016.

Shri Narendra N Patel – President and Company Secretary is a compliance officer.

## 10) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year ended	Date	Time	Venue
31.03.2016	29.07.2016	11.30 a.m.	9, GIDC Industrial Estate Kadi- 382 715, Dist. Mehsana.
31.03.2015	30.07.2015	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2014	22.08.2014	11.00 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.

During last three annual General Meetings, following special resolutions were passed:

- Appointment of Shri Atul Sanghvi as Executive director. (Annual General Meeting dated 22.08.2014)
- Appointment of Shri Vikram Somany as Chairman and Managing Director. (Annual General Meeting dated 22.08.2014)

Special Resolution u/s 180(1)(a) of the Companies Act, 2013 was passed on 22.08.2014 by voting through Postal Ballot. Voting details was as under:

	No. of Votes	% of Total Votes
No. of Votes in favour of the Resolution	7814211	99.99
No. of Votes against the resolution	618	0.01

Shri Umesh Parikh, partner of Parikh Dave and Associates, practicing Company Secretaries conducted the Postal Ballot exercise. No special resolution is proposed to be conducted through Postal Ballot as on date.

**11) Means of Communication**

- Quarterly results are published in leading daily newspapers viz. Financial Express / The Economic Times / Times of India and a local language newspaper viz. The Economic Times/ JaiHind/ Divya Bhaskar /Financial Express. The annual results (Annual Reports) are circulated to all the members of the Company either electronically or in physical form.
- Management Discussion & Analysis forms part of this Annual Report, which is also being posted to all the members of the Company.
- The official news releases, if any, are given directly to the press and simultaneously to the Stock Exchanges.
- The Company sends its financial results, Shareholding pattern and other information to BSE Limited and National Stock exchange of India Limited. They upload this information on their websites. i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The said information is also available on the company's website [www.cera-india.com](http://www.cera-india.com).
- Occasionally presentations are made to the institutional investors and/or analysts. Information which is published is only provided to them and only general outlook or future plans are shared with them. Such presentations or communications are posted on the website of the company [www.cera-india.com](http://www.cera-india.com).

**12) General Shareholders' Information****1. Annual General Meeting :**

Date and Time : 27<sup>th</sup> July, 2017 @ 11.30 a.m.  
 Venue : 9, GIDC Industrial Estate,  
 Kadi – 382 715, Dist. Mehsana.

**2. Financial Calendar 2017-18 (tentative) :**

Annual General Meeting By 3<sup>rd</sup> / 4<sup>th</sup> week of  
 September, 2018

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

June 30, 2017 August, 2017  
 September 30, 2017 November, 2017  
 December 31, 2017 February, 2018  
 March 31, 2018 (Audited) By 29<sup>th</sup> May, 2018

**3. Book Closure date** 12<sup>th</sup> July, 2017 to 19<sup>th</sup> July, 2017. (both days inclusive)**4. Dividend Payment**

Dividend for the year ended 31.03.2017 will be paid to the members whose names will appear in the register of members of the Company, on 19<sup>th</sup> July 2017 after giving effect to all valid transfer of shares in physical form lodged with the Company on or before 11<sup>th</sup> July, 2017 at the end of business hours, 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 11<sup>th</sup> July, 2017.

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 or by direct credit in to 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.

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

Pursuant to the provisions of Section 124, 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 1<sup>st</sup> December, 2016 and Company has send individual notices to the shareholders on 29<sup>th</sup> November, 2016 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 would be transferred to the Investor Education and Protection Fund. 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.

**6. Listing on Stock Exchanges**

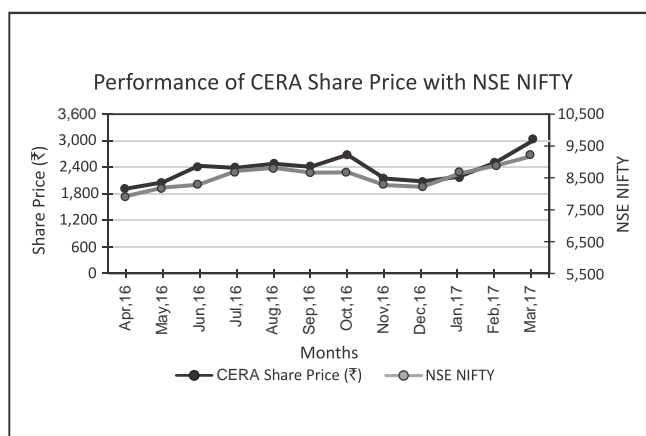
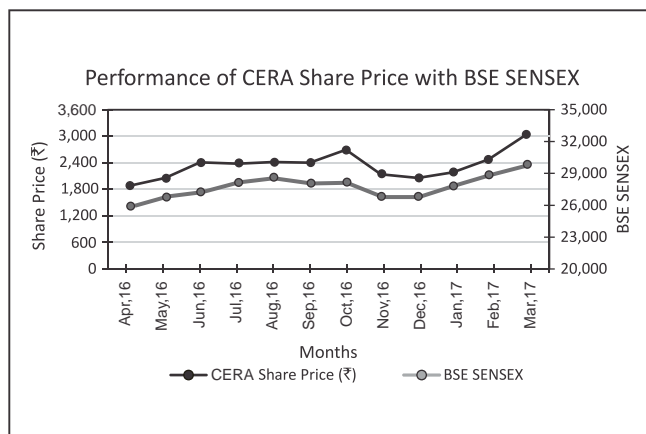
The Company's shares are listed at BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051. The company has paid listing fees for the year 2016-17 and 2017-18 to the Stock Exchanges.

BSE Limited  
 Scrip Code : 532443 Scrip ID : CERASAN

National Stock Exchange of India Limited  
 Trading Symbol : CERA.

**7. Share price at BSE and NSE**

Month	BSE		NSE	
	High (`)	Low (`)	High (`)	Low (`)
April, 2016	1852.00	1750.00	1850.00	1742.40
May, 2016	2095.00	1820.00	2100.00	1821.30
June, 2016	2429.00	2009.15	2429.00	2003.00
July, 2016	2525.00	2325.00	2520.00	2335.00
August, 2016	2450.00	2310.05	2474.40	2320.00
September, 2016	2469.00	2320.00	2500.00	2300.10
October, 2016	2694.00	2352.00	2718.70	2351.00
November, 2016	2759.00	1853.15	2780.00	1852.20
December, 2016	2268.80	1880.00	2273.30	1880.45
January, 2017	2212.75	1990.00	2225.00	1989.10
February, 2017	2605.00	2160.00	2610.00	2148.00
March, 2017	3130.00	2330.00	3315.00	2324.00



## 8. Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / rematerialization job is assigned to R & T Agent, MCS Share Transfer Agent Limited, a SEBI registered Share Transfer Agent. Request for Share transfer, dematerialization and rematerialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

## 9. Share Transfer System

The share transfer/s is normally effected within a period of 10-15 days from the date of receipt, provided the documents being complete in all respects. The Company has formed Share Transfer Committee of directors, which meets atleast once in 10-15 days for effecting transfer of shares and other related matters.

## 10. Distribution of Shareholding as on 31.03.2017

Shares	No. of Shareholders	Total No. of Shares
1	500	18,223
501	1000	311
1001	2000	132
2001	3000	36
3001	4000	13
4001	5000	10
5001	10,000	25
10,001	50,000	22
50,001	1,00,000	7
1,00,001 And above		19
<b>Total</b>	<b>18,798</b>	<b>1,30,05,874</b>

## 11. Pattern of Shareholding as on 31.03.2017

Sr. No.	Category	No. of Shares	(%)
1.	NRIs	64,821	0.50
2.	FIIIs	8,98,968	6.91
3.	Financial Institutions/Banks/ Insurance Companies/Trust	7,56,541	5.82
4.	Mutual Funds	10,77,838	8.29
5.	Foreign Body Corporate	3,51,000	2.70
6.	Promoters	71,20,639	54.75
7.	Bodies Corporate	2,60,366	2.00
8.	Indian Public	24,75,701	19.03
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

## 12. Dematerialisation of Shares as on 31.03.2017

As on 31.03.2017, 96.90% of the Company's total shares representing 1,26,02,331 Shares were held in dematerialized form and the balance 3.10% representing 4,03,543 shares were in paper form.

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

## 13. Secretarial Audit for reconciliation of Capital

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a practicing company secretary carried out the Secretarial Audit for all the quarters of Financial Year 2016-17. 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. Plant Locations

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

- Sanitaryware and Faucetware Plants :  
9, GIDC Industrial Estate, Kadi – 382 715,  
Dist. Mehsana, Gujarat.

## 2. Wind Farms :

1. Village Patelka & Lamba, Taluka Kalyanpur, District Jamnagar, Gujarat.
2. Village & Taluka Kalyanpur, District Jamnagar, Gujarat.
3. Village Kadoli, Taluka Abdasa, District Kutch, Gujarat.
4. Village-Jivapar (Anandpar), Taluka-Chotila, Dist-Surendranagar, Gujarat.
5. Village-Mota Gunda, Taluka-Bhanwad, Dist-Devbhumi Dwarka, Gujarat.
6. Village-Navagam, Taluka-Bhanwad, Dist-Devbhumi Dwarka, Gujarat.

**16. 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 Ahmedabad Office at "Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380006 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Contact No. 079-26580461, Email : mcsahmd@gmail.com.

The Company has partly adopted non-mandatory requirements.

**13) 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. 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.
3. 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 and no person is denied access to the Audit Committee.
4. The Company has partly adopted non-mandatory requirements. The company has Chairman and Managing Director. The company is having unmodified audit opinion. The Internal Auditor may report directly to the audit committee.
5. 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-subsiary/>.

## 6. 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.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.cera-india.com.

## 7. 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.

## 8. 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 CEO and CFO has been obtained.

9. The company has issued reminders to the Shareholders for the shares issued in physical form in past, which remained unclaimed. The details of the same were as under:

	Number of share holders	Number of equity shares
Aggregate number of shareholders and shares outstanding as on April 1, 2016.	380	62,170
Number of shareholders who approached the Company for shares during the year.	27	7,770
Number of shareholders to whom shares were issued during the year.	27	7,770
Aggregate number of shareholders and shares outstanding as on March 31, 2017.	353	54,400

The voting rights on unclaimed shares will remain frozen till the rightful owner claims such shares.

Ahmedabad.  
4<sup>th</sup> May, 2017

**Vikram Somany**  
Chairman and Managing Director

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**AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of **Cera Sanitaryware Limited**

We have examined the compliance of conditions of Corporate Governance by Cera Sanitaryware Limited, for the financial year ended on 31st March, 2017, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For and on Behalf of  
**H. V. Vasa & Co.**  
Chartered Accountants  
Firm Reg. No. 131054W

**Tushar H. Vasa**  
Proprietor  
Membership No. 16831

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2017

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**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.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31<sup>st</sup> March, 2017.

For **Cera Sanitaryware Limited**

**S. C. Kothari**  
Chief Executive Officer

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2017