

## Annexure - X 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 and 5 (Five) Independent Directors.

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

During the year, 4 (four) Board Meetings were held on 04.05.2017, 30.08.2017, 02.11.2017 and 01.02.2018.

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 directorship	No. of Other Committee Membership
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	4	Yes	1	—
2.	Smt. Deepshikha Khaitan	Vice Chairperson Non-Executive Promoter Director	4	Yes	3	—
3.	Shri Sajjan Kumar Pasari	Non-Executive Independent Director	1	No	10	—
4.	Dr. KN Maiti*	Non-Executive Director	1	Yes	—	—
5.	Shri Govindbhai P Patel**	Non-Executive Independent Director	3	Yes	—	—
6.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	1	No	13	—
7.	Shri J. K. Taparia	Non-Executive Independent Director	3	Yes	1	—
8.	Shri Atul Sanghvi	Executive Director	4	Yes	2	—
9.	Shri Ayush Bagla#	Non-Executive Independent Director	—	—	2	—
10.	Shri Surendra Singh Baid#	Non-Executive Independent Director	—	—	1	—

\* Ceased to be Director due to death on 14<sup>th</sup> December, 2017

\*\*Resigned as Director w.e.f. 18<sup>th</sup> April, 2018

#Appointed as Additional Directors-Independent w.e.f. 18<sup>th</sup> April, 2018.

Shri Ayush Bagla and Shri Surendra Singh Baid were appointed as Additional Directors (Independent) on the Board of the Company w.e.f. 18<sup>th</sup> April, 2018 to hold office up to the ensuing Annual General Meeting. Necessary resolutions have been proposed for their appointment for consecutive term of five years for the approval of the members at ensuing Annual General meeting.

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 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. Familiarization programs imparted to independent directors is posted on Company's website i.e. www.cera-india.com

## 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 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 01.02.2018 inter alia, to discuss:

- Evaluation of the performance of Independent directors, Non-Independent Directors, Executive Directors, 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 6 (Six) directors, namely Shri J. K. Taparia - Chairman (Independent), Shri Vikram Somany, Shri Sajan Kumar Pasari (Independent), Shri Lalit Kumar Bohania (Independent), Shri Ayush Bagla (Independent), and Shri Surendra Singh Baid (Independent). During the year, 4 (four) Audit Committee Meetings were held on 04.05.2017, 30.08.2017, 02.11.2017 and 01.02.2018.

Shri Govindbhai P. Patel ceased to be a member of the Committee due to resignation from the Board w.e.f. 18.04.2018 and Shri Ayush Bagla (Independent), and Shri Surendra Singh Baid (Independent) were appointed as new committee members w.e.f. 18.04.2018.

#### 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.

Details of no. of meetings and attendance there at is as under.

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

### 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, comprises of 6 (Six) directors namely, Shri Sajan Kumar Pasari (Independent) – Chairman, Shri Vikram Somany, Shri Lalit Kumar Bohania (Independent), Shri J.K. Taparia (Independent), Shri Ayush Bagla (Independent), and Shri Surendra Singh Baid (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, 2 (Two) Nomination and Remuneration Committee Meetings were held on 04.05.2017 and 01.02.2018. Details of no. of meetings and attendance there at is as under:

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

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 4.05.2017 and 02.11.2017.

### 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 31.03.2018****(i) Managing Director / Whole-time Director(s)**

Name and Designation	Remuneration	(₹ in Lakhs)	
		Perquisites and Retirement benefits	Commission
Shri Vikram Somany Chairman and Managing Director	524.97	58.57	—
Shri Atul Sanghvi Executive Director	217.19	13.69	—

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 27.07.2017 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 wholetime 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 2017-18 are as under:

Name	Sitting Fees (₹ in Lakhs)	Commission (₹ in Lakhs)
Shri Sajjan Kumar Pasari	0.10	2.00
Dr. K.N. Maiti	0.10	-
Shri Lalit Kumar Bohania	0.10	2.00
Shri J. K. Taparia	0.30	2.00
Shri Govindbhai P. Patel	0.30	2.00
Smt. Deepshikha Khaitan	0.40	2.00
<b>TOTAL</b>	<b>1.30</b>	<b>10.00</b>

Dr.K.N.Maiti was also paid consultancy fees of ₹ 38.03 Lakhs as ceramic scientist as per the approval of Nominations and Remuneration Committee. He ceased to be Director w.e.f. 14.12.2017 due to death.

**(iii) Shareholding of Non-Executive Directors**

Name	No. of Shares held	% of total shareholding
Shri Sajjan Kumar Pasari	236696	1.82
Shri Ayush Bagla	Nil	Nil
Shri Lalit Kumar Bohania	Nil	Nil
Shri J. K. Taparia	Nil	Nil
Shri Surendra Singh Baid	Nil	Nil
Smt. Deepshikha Khaitan*	339116	2.61

\* During the year, Shri Vikram Somany, Chairman and Managing Director and father of Smt. Deepshikha Khaitan have gifted 1,00,000 equity shares to Smt. Deepshikha Khaitan.

**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 Board of Directors at their meeting held on 18<sup>th</sup> April, 2018 has reconstituted Committee. It is now comprising 3 (three) directors, namely, Shri Atul Sanghvi - Chairman, Shri J. K. Taparia - (Independent) and Shri Surendra Singh Baid (Independent).

**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 Board of Directors at their meeting held on 18<sup>th</sup> April, 2018 reconstituted Committee, it now comprises 3 (three) directors, namely, Shri J. K. Taparia Chairman- (Independent), Shri Atul Sanghvi - Executive Director and Shri Surendra Singh Baid (Independent). Shri Govindbhai P. Patel ceased to be a member of the Committee due to his resignation from the Board w.e.f. 18<sup>th</sup> April, 2018.

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

During the year 2017-18, the Company had received 12 complaints from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31-03-2018, 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<sup>st</sup> March, 2018 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 04<sup>th</sup> May, 2017.

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
31.03.2017	27.07.2017	11.30 a.m.	9, GIDC Industrial Estate Kadi- 382 715, Dist. Mehsana.
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.

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

- Re-appointment of Shri Atul Sanghvi as Executive Director (Annual General Meeting dated 27<sup>th</sup> July, 2017)
- Re-appointment of Shri Vikram Somany as Chairman and Managing Director. (Annual General Meeting dated 27<sup>th</sup> July, 2017)
- Payment of commission not exceeding 1% p.a. of the net profit of the Company (Annual General Meeting dated 27<sup>th</sup> July, 2017)

During last three years no resolution is passed through Postal Ballot. No 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 and 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 : Thursday, 30<sup>th</sup> August, 2018  
at 11.30 a.m.  
Venue : 9, GIDC Industrial Estate,  
Kadi - 382 715, Dist. Mehsana.

**2. Financial Calendar 2018-19 (tentative) :**

Annual General Meeting By 3<sup>rd</sup>/ 4<sup>th</sup> week of  
September, 2019

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

June 30, 2018 August, 2018  
September 30, 2018 November, 2018  
December 31, 2018 February, 2019  
March 31, 2019 (Audited) By 29<sup>th</sup> May, 2019

**3. Book Closure date** 17<sup>th</sup> August, 2018 to 24<sup>th</sup> August, 2018. (both days inclusive)**4. Dividend Payment**

Dividend for the year ended 31<sup>st</sup> March, 2018 will be paid to the members whose names will appear in the register of members of the Company on 24<sup>th</sup> August, 2018 after giving effect to all valid transfer of shares in physical form lodged with the Company on or before 16<sup>th</sup> August, 2018 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 16<sup>th</sup> August, 2018.

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 [www.cera-india.com](http://www.cera-india.com).

**5. 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 1<sup>st</sup> December, 2016 and Company has send individual notices to the shareholders on 29<sup>th</sup> November, 2016 and on 31<sup>st</sup> October, 2017 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. Accordingly 42,473 shares have been transferred to the Investor Education and Protection Fund on 28<sup>th</sup> November, 2017. 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).

Accordingly, the Company will transfer shares of those shareholders on which dividend has not been paid or claimed for consecutive seven years. Shareholders are requested to claim their unclaimed/unpaid dividend immediately.

**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 2017-18 and 2018-19 to the Stock Exchanges. Listing details of the shares at the Stock Exchanges are as under:

BSE Limited

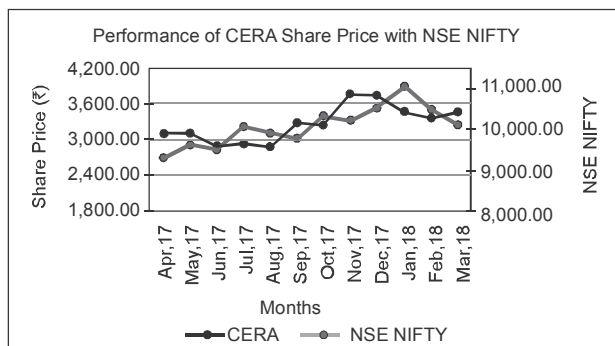
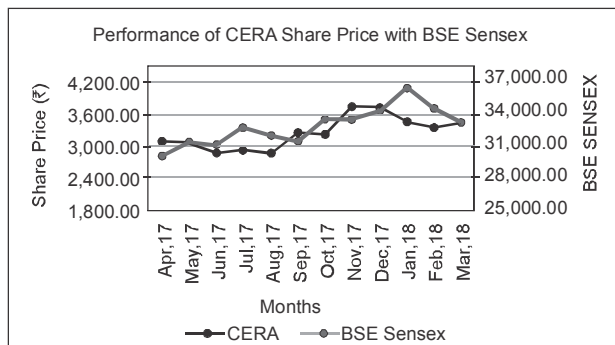
Scrip Code : 532443 Scrip ID : CERA

National Stock Exchange of India Limited

Trading Symbol : CERA.

## 7. Share price at BSE and NSE

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-2017	3225.00	2800.00	3139.90	2785.05
May-2017	3169.00	2801.15	3175.20	2805.00
Jun-2017	3150.00	2820.80	3135.00	2815.05
Jul-2017	3068.90	2858.75	3072.95	2882.55
Aug-2017	3033.95	2709.00	2990.00	2655.00
Sept-2017	3290.00	2865.00	3295.00	2880.00
Oct-2017	3420.00	2980.00	3429.45	3028.00
Nov-2017	3790.00	3171.25	3800.00	3151.55
Dec-2017	4300.00	3514.95	3864.00	3512.25
Jan-2018	3900.00	3455.35	3918.00	3450.10
Feb-2018	3530.00	3082.75	3536.95	3100.00
Mar-2018	3496.45	3060.05	3490.90	3101.00



## 8. Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / re-materialization job is assigned to R & T Agent, MCS Share Transfer Agent Limited, a SEBI registered 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-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 31.03.2018

Shares	No. of Shareholders	Total No. of Shares
1 – 500	21152	12,91,177
501 – 1000	269	1,97,461
1001 – 2000	108	1,57,621
2001 – 3000	31	76,806
3001 – 4000	14	49,978
4001 – 5000	10	45,791
5001 – 10,000	23	1,60,803
10,001 – 50,000	26	6,20,485
50,001 – 1,00,000	10	7,36,592
1,00,001 And above	19	96,69,160
<b>Total</b>	<b>21,662</b>	<b>1,30,05,874</b>

## 11. Shareholding Pattern as on 31.03.2018

Sr. No.	Category	No. of Shares	(%)
1.	NRIs	74,421	0.57
2.	FII's	10,57,619	8.13
3.	Financial Institutions/Banks/ Insurance Companies/Trust/ IEPF	55,921	0.43
4.	Mutual Funds	11,84,237	9.11
5.	Foreign Body Corporate	3,51,000	2.70
6.	Promoters	71,20,639	54.75
7.	Bodies Corporate	9,06,901	6.97
8.	Indian Public	22,55,136	17.34
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

## 12. Dematerialisation of Shares as on 31.03.2018

As on 31.03.2018, 97.51% of the Company's total shares representing 1,26,82,653 Shares were held in dematerialized form and the balance 2.49% representing 3,23,221 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 2017-18. 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:

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

#### 16. Address for Correspondence

The Company's Registered Office is situated at 9, GIDC Industrial Estate, Kadi-382715, Dist. 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. 079-26580462, Email :mcsahmd@gmail.com.

#### 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. 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 31<sup>st</sup> March, 2017 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 as per Ind AS, so as to make the figures comparable with the figures of current year. As these are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind AS has affected previously reported financial position, financial performance and cash flows of the Company is provided in the financial Statements at appropriate places.
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.

5. 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. 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-subsiary/>.

#### 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.

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](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. 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.

10. 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 1 <sup>st</sup> April, 2017.	353	54400
Number of shareholders who approached the Company for shares during the year.	10	2050
Number of shareholders to whom shares were issued during the year.	10	2050
Aggregate number of shareholders and shares outstanding as on 31 <sup>st</sup> March, 2018.	343	52350

Ahmedabad.  
3<sup>rd</sup> May, 2018

**Vikram Somany**  
Chairman and Managing Director

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**CERA SANITARYWARE LIMITED**  
**CIN: L26910GJ1998PLC034400**  
9,G.I.D.C.Industrial Estate,  
Kadi,Mehsana – 382715

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 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, 2018.

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 Umesh Parikh & Associates**  
Company Secretaries  
**Umesh Parikh**  
Proprietor  
FCS No. 4152  
C P No.: 2413

Place : Ahmedabad  
Date : May 03, 2018

---

**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, 2018.

Place : Ahmedabad  
Date : 3<sup>rd</sup> May, 2018

**For Cera Sanitaryware Limited**  
**S. C. Kothari**  
Chief Executive Officer