

# ANNUAL REPORT

2014 - 15

The Vision that Creates  
**Value**



**CERA**



# CERA

better expressed as...

**C**OZY

- Comfort
- Pleasant
- Warm

**E**LEGANT

- Stylish
- Graceful
- Well Designed

**R**OYAL

- Imperial
- Majestic

**A**ESTHETIC

- Artistic



**Board of Directors**

Shri Vikram Somany - Chairman and Managing Director  
Shri Sajan Kumar Pasari  
Dr. K. N. Maiti  
Shri Ashok Chhajed  
Shri Lalit Kumar Bohania  
Shri Govindbhai P. Patel  
Smt. Deepshikha Khaitan  
Shri Atul Sanghvi - Executive Director

**Bankers**

State Bank of India

**Auditors**

H. V. Vasa & Co.,  
Chartered Accountants,  
B-2, "Usha Kiran", Opp. Khanpur Gate,  
Ahmedabad - 380 001.

**Registered Office**

9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.  
www.cera-india.com; Phone : (02764) 242329, 262619, 262638; Fax : (02764) 242465  
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

**Marketing Office**

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

**Works**

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

**Registrar & Share Transfer Agent**

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

**President & Company Secretary**

Narendra N. Patel

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**Annual General Meeting at 11.30 a.m. on Thursday,  
the 30th day of July, 2015 at the Registered Office.**

## NOTICE

Notice is hereby given that the Seventeenth 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 July, 2015 at the Registered Office of the Company at 9, GIDC Industrial Estate, Kadi – 382 715, Dist. Mehsana, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2015 including statement of Audited Profit and Loss for the year ended 31<sup>st</sup> March, 2015 and Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Dr. K. N. Maiti, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification 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 thereof for the time being in force), K. G. Goyal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, as per the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of ₹ 50,000/- p.a. plus out of pocket expenses and service tax, if any.

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.”

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi – 382 715  
23<sup>rd</sup> April, 2015  
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors  
  
**Narendra N. Patel**  
President & Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the company.
2. Members are requested to notify immediately the change of address, if any, to the Company or MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent.
3. The Register of Members and Share transfer book of the Company will remain closed from 18.07.2015 to 24.07.2015 (both days inclusive).

4. The Board of Directors has recommended a dividend of ₹ 6.25 (125%) per fully paid equity share of ₹ 5/- each for the year ended 31.03.2015.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
6. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
7. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
8. The Company has transferred the unpaid or unclaimed dividends up to the financial year 2006-07 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 2007-08 onwards are advised to write to the Company immediately claiming dividends declared by the Company.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the registrar.
10. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and 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.
11. Annual Report 2014-15 alongwith notice of the AGM, Attendance Slip, Proxy Form and a letter giving the process, instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of Annual Report are being sent through the permitted mode. Members who have not registered their email address are requested to get their email address registered with the Company / Depository Participants and update the same, if required.
12. 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.
13. Voting through electronic means  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 17<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The members shall refer to the detailed procedures on e-voting attached herewith.

14. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
15. Members are required to vote only through the electronic system or through ballot at Annual General Meeting only and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
16. The e-voting period commences on 27<sup>th</sup> July, 2015 (10.00 am) and ends on 29<sup>th</sup> July, 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23-07-2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
17. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> July, 2015.
18. A member may participate in the Annual General Meeting even after exercising his right to vote through e-voting, but shall not be allowed to vote again.
19. Shri Umesh Parikh, partner of Parikh Dave & Associates, Companies Secretaries, (Membership No.FCS:4152) 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 scrutiniser 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 e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
21. The Results will be declared on receipt of Scrutinizer's Report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cera-india.com](http://www.cera-india.com) and on the website of CDSL immediately and communicated to the NSE and BSE.
22. Shri Narendra N. Patel, Compliance Officer of the Company, "Madhusadan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006, shall be responsible for addressing all the grievances in relation to this Annual general meeting including e-voting. His contact details are **E-mail** : [nk\\_acharya@cera-india.com](mailto:nk_acharya@cera-india.com), **Phone No.** 079-26449781.

**23. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

24. Brief resume of director, who is proposed to be appointed / re-appointed at this meeting is given below:

Name of Director	<b>Dr. K. N. Maiti</b>
Date of Birth	23.09.1946
Date of Appointment	24.05.2008
Expertise in Specific Functional Areas	Ceramic Scientist
List of other Directorships	—
Chairman / Member of the Committees of the Board of other Companies	—
Shareholding in the Company	—

**Statement pursuant to provisions of section 102 the Companies Act, 2013.**

**Item No. 5**

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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 shareholders of the Company.

Accordingly, consent of the members is sought for 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 March 31, 2016.

The Board of Directors accordingly 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, any other Key managerial person(s) of the company and their relatives are, in any way concerned or interested in the said resolution.

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi – 382 715  
23<sup>rd</sup> April, 2015  
CIN : L26910GJ1998PLC034400

By Order of the Board of Directors  
**Narendra N. Patel**  
President & Company Secretary

**Procedure on e-voting****The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27<sup>th</sup> July, 2015 (10.00 am) and ends on 29<sup>th</sup> July, 2015 (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> July, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form 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> <ul style="list-style-type: none"> <li>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on the address slip.</li> <li>- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>- Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Cera Sanitaryware Ltd. on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts 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.
  - 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Directors' Report

To  
The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2015.

### Performance

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

	(` in lacs)	
	Year ended March 31, 2015	Year ended March 31, 2014
Profit before Depreciation and Taxes & Exceptional item	<b>11638.71</b>	9464.65
Deducting there from Depreciation of	<b>1546.09</b>	1224.70
Profit before Tax	<b>10092.62</b>	8239.95
Deducting there from taxes of:		
- Current Year	<b>2525.25</b>	2651.35
- Deferred Tax	<b>800.92</b>	398.04
Profit after Tax	<b>6766.45</b>	5190.56
Add: Balance brought forward from previous year	<b>3000.00</b>	1900.00
Amount available for Appropriations	<b>9766.45</b>	7090.56
The proposed appropriations are:		
1. Proposed Dividend	<b>812.87</b>	632.74
2. Tax on Proposed Dividend	<b>165.48</b>	111.45
3. General Reserve	<b>3788.10</b>	3346.37
4. Balance carried forward	<b>5000.00</b>	3000.00
<b>Total</b>	<b>9766.45</b>	7090.56

### Highlights / Performance of the Company

Turnover of the Company for the year increased by 23.80% to ` 821.67 Cr. as compared to ` 663.69 Cr. previous year.

Profit before tax for the year increased by 22.48% to ` 100.93 Cr. as compared to ` 82.40 Cr. previous year.

Profit after tax for the year increased by 30.36% to ` 67.66 Cr. as compared to ` 51.90 Cr. previous year.

The Directors are pleased to inform you that your Company has continued to grow despite adverse market conditions in 2014-15 due to its distribution strength, product quality, brand equity and after-sales service.

The well-entrenched distribution network of your Company is being supplemented with an array of CERA Style Studios and CERA Style Galleries in different towns, which showcase your Company's products in an exclusive ambience.

### Sanitaryware Unit

Your Company has expanded its annual production capacity to 3.0 Mn. Pcs. for meeting the increased demand of its products. During the year the plant had run at its optimum capacity despite being affected by the flooding due to heavy rains. Further, by adding balancing equipments, the company aims to achieve production of 3.2 Mn. Pcs. p.a.

### Faucetsware Unit

The new ranges and designs of Faucets have been well accepted by the market. The company attained its full capacity in the year. Owing to this success, the company has further expanded its capacity to 2.34 Mn. Pcs. p.a.

### Bathware Unit

Your Company has continued to market products like kitchen sinks and mirrors to its range besides products like shower cubicles, shower panels, steam cubicles, whirlpools and importing & marketing high-end wellness range under the brand name CERA.

### Tiles Unit

Your Company has successfully launched CERA tiles in all markets. The exclusive tie up with manufacturers of tiles has helped your Company maintain its quality standards which distinguishes CERA tiles.

### Green Energy Unit

As a part of national policy and Green initiative, generation of electricity through non-conventional sources and to stabilize power cost, company has installed two WIND-TURBINES of 4.00 MW and SOLAR ENERGY of 1.00 MW capacity at Dist. Jamnagar & Dist. Mehsana respectively in Gujarat during the year.

Thereby the installed capacity of Non-conventional Energy unit of the company now stands at 12.825 MW from 7.825 MW.

The non-conventional Wind and Solar Power has produced 1,03,61,993 KWH against 62,85,830 KWH in the previous year.

### Corporate Governance and Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, report on Corporate Governance along with the Auditors' statement on its compliance and Management discussion and Analysis have been included in this Annual Report as a separate annexure.

### Corporate Social Responsibility

The report on Corporate Social Responsibility (CSR) Activities alongwith Annexure as per Rule 9 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate Annexure.

### 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 March 31, 2015 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.

#### Dividend

Your Directors recommend a dividend of ` 6.25/- per share (125%) (Previous year ` 5/- per share (100%) on 1,30,05,874 (1,26,54,874) equity shares of ` 5/- each fully paid for the year ended 31.03.2015, to be paid subject to approval by the members at the ensuing Annual General Meeting.

During the year, the unclaimed dividend pertaining to the financial year ending 2006-07 was transferred to the Investor Education and Protection Fund.

#### Share Capital

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2014 was ` 632.74 lacs. During the year under review the Company has issued 3,51,000 equity shares on preferential basis. As on 31<sup>st</sup> March, 2015 the Share Capital was ` 650.29 lacs. Since the shares on preferential basis were issued in March 2015, funds could not be utilized for the objects for which the same were raised. Hence, it is parked temporarily with the Bankers and in market securities.

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

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

Conservation of energy:

The Company has two sources of energy i.e. Natural Gas is being supplied by GAIL & Sabarmati Gas Ltd., for running the Kilns. The pricing and quantity of the gas is based on the availability, international pricing and contract with the company. For energy conservation company has installed fuel efficient burners to control gas consumption and every technological development is being taken care of.

Second source of energy for running machineries are electricity supplied by local Discom. To compensate within the energy consumption by way of electricity, the Company has set up Wind Turbines of 11.825 MW and 1.00 MW Solar Plant which will generate about 90 % of the requirements and it will offset against monthly consumption of energy bill.

The Company has spent ` 36.08 crores for setting up 4.00 MW wind turbines and 1.00 MW solar energy during the year.

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.

#### Exchequer

The Company has contributed ` 121.34 Crores to the exchequer by way of excise duty, customs duty, service tax, income tax, VAT, sales tax and other fiscal levies.

#### Deposits

The Company has discontinued its Fixed Deposit Scheme from the Financial Year 2012-13. Despite efforts to identify and repay the unclaimed deposits, the total amount of Fixed Deposits matured and remaining unclaimed with the Company as on 31<sup>st</sup> March, 2015 was ` 2.74 lacs.

The Company has not accepted fixed deposits from the public 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 repaid loans of ` 675.02 lacs to Financial Institutions and Banks.

#### 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.

Details of employees required pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as a separate Annexure.

#### Directors

Members at the Annual General Meeting held on 22-08-2014 have appointed Shri Ashok Chhajed, Shri Sajjan Kumar Pasari, Shri Govindbhai P. Patel and Shri Lalitkumar Bohania as Independent Directors of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019 (they will not retire by rotation). Members have also appointed Smt. Deepshikha Khaitan as Director and Shri Atul Sanghvi as Director & Executive Director and Shri Vikram Somany as Chairman and Managing Director.

Dr. K.N. Maiti is due to retire at the end of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of Dr. K.N. Maiti as required as per clause 49 of the Listing Agreement executed with the Stock Exchanges is provided in the notice convening the Annual General Meeting of the Company.

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. The company keeps informed independent directors about changes in the Companies Act, 2013 and rules from time to time and their role, duties and responsibilities.

#### Auditors

H.V. Vasa & Co., Statutory Auditors of the company retire at the end of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.



**Cost Auditors**

The Company has appointed K.G. Goyal & Co., as Cost Auditors for conducting cost audit for the year.

**Secretarial Audit**

Secretarial Audit Report given by Umesh Parikh and Associates, Company Secretaries in practice is annexed with this report.

**Extract of Annual Return**

The details forming part of the extract of annual return in Form No.MGT-9 is annexed herewith as a separate Annexure.

**Particulars of loans, guarantees or investments under section 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.

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

Particulars of contracts or arrangements with related Parties as per Section 188(1) of Companies Act, 2013, including arm's length transactions are enclosed as a separate Annexure in Form No.AOC-2 .

There are no materially significant related Party transactions made by the Company with Directors, Key Managerial Personnel 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. The Policy on related Party transactions as approved by the Board is uploaded on the Company's website.

**Insurance**

Your Company has adequately insured all its properties including Plant and Machinery, Buildings and Stock.

**Industrial Relations**

Your Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation for the services rendered by workers, staff members and executives of the Company.

Your Company has taken adequate steps for the health and safety of its employees, as required under the Gujarat Factories Rules, 1963. The Company has not received any complaint under The Sexual Harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013 and the Company has organized three workshops under the said Act.

**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, Kotak Mahindra Bank Ltd, Yes Bank Ltd and various departments of both State and Central Governments.

For and on behalf of the Board of Directors,

Ahmedabad.  
23<sup>rd</sup> April, 2015

**Vikram Somany**  
Chairman and Managing Director

**Annexure to the Directors' Report**

Disclosure of particulars with respect to information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 and forming part of the Report of the Board of Directors for the year ended 31<sup>st</sup> March, 2015.

**A. Conservation of Energy**

Discussed in the main report

**B. Technology Absorption**

NIL

**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, 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 fully/partly commenced commercial production during the year under report are :-

- ❖ An Opaque Glaze named as "Snow White" developed earlier and voted as the product of the year in Sanitary ware category for successive two years since 2011 in a row has been further upgraded through replacement of costly ingredients by cheaper substitutes and still maintained the high quality standard and also better than previous.
- ❖ Several dark colored glazes have been developed utilizing colorants/stains from indigenous source through import substitution and commenced commercial production minimizing several teething problems.
- ❖ Development of a new cost effective body utilizing increased quantity of fired waste (pitcher) in the body composition and commenced commercial production during the year under report. The said development has thus helped not only on consumption of increased quantity of solid wastes but also in conserving the same quantity of fresh raw materials for future use.
- ❖ Developing of an Antimicrobial glaze, utilizing the indigenously developed antimicrobial material available in the market and its up-scaling activity leading to commercial production is still under consideration.
- ❖ Development of a new and innovative crack resistant body utilizing a new and an unconventional raw material initiated at R & D sometimes back has been completed successfully with promising result. The said body and also other bodies incorporating indigenous raw materials are under trial in the pilot plant. On successful completion of pilot plant production, the said bodies would be introduced for commercial production.
- ❖ The company has launched a project titled "Waste Minimization & Waste Utilization Programme" and lots of measures have been taken to arrest wastage in solid, liquid and gaseous as well as electricity at different stages of production as a continuous programme. Simultaneously, the generated wastes of body & glaze are being benefited and used on regular basis at pilot level. Necessary infrastructure is being developed to continue the activities on commercial basis as a part of regular activity of the company.

- |    |  |   |   |
|----|--|---|---|
| 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.  |
| 3. | Future plan of action  | : | <ul style="list-style-type: none"> <li>❖ To minimize imports through utilization of raw materials and other inputs from indigenous sources for better inventory management and cost reduction.</li> <li>❖ To develop various eco-friendly glazes matching to the international standards of quality.</li> <li>❖ To initiate further innovation in the areas of development of bodies and glazes as R&amp;D is a never ending process for making improvement in both once-fired and refire recovery as well as energy conservation.</li> <li>❖ The modernization of entire R &amp; D activities through replacement of old and obsolete equipments and addition of new are under progress during the year under report.</li> </ul> |
| 4. | Expenditure on R & D   |   |   |
|    | a) Capital   | : | ` 3.88 Lacs   |
|    | b) Recurring   | : | ` 101.75 Lacs   |
|    | c) Total   | : | ` 105.63 Lacs   |
|    | 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	:	` 8299.94 Lacs
Total foreign exchange earned	:	` 636.60 Lacs

## Annexure to the Directors' Report

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

S. N.	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 style="width: 100%; border: none;"> <tr> <td colspan="2" style="text-align: center;">Wholetime Directors</td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">ED</td> </tr> <tr> <td style="text-align: center;">69x</td> <td style="text-align: center;">13.4x</td> </tr> </table>					Wholetime Directors		CMD	ED	69x	13.4x									
Wholetime Directors																					
CMD	ED																				
69x	13.4x																				
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 style="width: 100%; border: none;"> <tr> <td colspan="2" style="text-align: center;">Wholetime Directors</td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">ED</td> </tr> <tr> <td style="text-align: center;">25%</td> <td style="text-align: center;">30%</td> </tr> </table>		Wholetime Directors		CMD	ED	25%	30%	<table style="width: 100%; border: none;"> <tr> <td colspan="3" style="text-align: center;">KMPs</td> </tr> <tr> <td style="text-align: center;">CEO</td> <td style="text-align: center;">CFO</td> <td style="text-align: center;">CS</td> </tr> <tr> <td style="text-align: center;">20%</td> <td style="text-align: center;">20.30%</td> <td style="text-align: center;">23%</td> </tr> </table>			KMPs			CEO	CFO	CS	20%	20.30%	23%
Wholetime Directors																					
CMD	ED																				
25%	30%																				
KMPs																					
CEO	CFO	CS																			
20%	20.30%	23%																			
iii.	The % increase in the median remuneration of employees in the financial year	18 – 20%																			
iv.	The number of permanent employees on the rolls of company.	2380																			
v.	The explanation on the relationship between average increase in remuneration and company performance.	Annual increase in remuneration is based on the remuneration policy for different grades, industry pattern, qualifications and experience, responsibilities shouldered and individual performance of the Key Managerial personnel & other employees and also performance of the Company.																			
vi.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.																				
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed company.	Market Capitalisation	2014-15 ` 3227.21 Cr.	2013-14 ` 1118.88 Cr.																	
		PE Ratio	46.50	21.55																	
		Last Public Offer Market Quotation	(Not Applicable as no public offer made by the company.)																		
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 18%-20%, as against an increase of 25%-30% in the salary of the Chairman and Managing Director & Executive Director (managerial personnel as defined under the Act.). Annual increase in remuneration is based on different grades, industry pattern, qualifications & experience, responsibilities shouldered and individual performance of managerial personnel and other employees.																			
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	<u>Particulars</u>	<u>% of Net Sales for F.Y 2014-15.</u>																		
		CMD	0.61%																		
		ED	0.12%																		
		CEO	0.28%																		
		CFO	0.06%																		
		CS	0.04%																		
x.	The key parameters for any variable component of remuneration availed by the directors.	Key parameters of Whole time Directors' variable remuneration includes components like incentive on growth of top-line and growth in profitability.																			
xi.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year and	NOT APPLICABLE																			
xii.	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per the remuneration policy of the company.																			

**Annexure to the Directors' Report**

Details of employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2015.

**A. Names of Employees employed through out the year and were in receipt of remuneration of not less than ` 60,00,000/- during the year:**

Sr. No.	Name & Age (Years)	Designation/ Nature of Duties	Remuneration ( ` )	Qualifications & Experience (Years)	Date of commencement of employment	Last Employment, Name of employer, Post held and period (Years)	Equity shares held with spouse & dependent children (in %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Shri Vikram Somany (65 years)	Chairman and Managing Director	4,99,91,953	B.Sc., FCMI (U.K.) (40 years)	13.08.2002	Madhusudan Industries Limited Chairman cum Managing Director (1 year)	19.87
2	Shri Subhash Chandra Kothari (70 years)	C E O	2,26,12,800	B.Com., LLB, FCA (41 years)	12.09.2012	Cera Sanitaryware Ltd. (Whole Time Director) (24 Years)	0.05
3	Shri Atul Sanghvi (53 years)	Executive Director	96,60,494	MBA (Marketing) (31 years)	18.01.1999	Grasim Industries Ltd. Cement Division GM (Marketing) (11 years)	0.00
4	Shri Vivek Tewari (47 years)	President (Works)	69,49,201	M.Tech. MBA (23 years)	03.12.2013	HSIL Ltd., Associate VP(works) (5 years)	0.00
5	Shri Abbey Rodrigues (44 years)	Sr. V.P (Marketing)	81,89,042	B.Com.PGDMSM (21 years)	09.12.1996	Deluxe Sanitary Appliances Sales Executive (1.5 years)	0.03
6	Shri P. K. Shashidharan (56 years)	Sr. V. P. (Marketing)	76,96,879	M.A. (English) (35 years)	15.10.1991	Mudra Commu. Ltd. Sr.Media Executive (12 Years)	0.00

**B. Names of Employees employed for part of the year and were in receipt of remuneration of not less than ` 5,00,000/- per month:**

Sr. No.	Name & Age (Years)	Designation/ Nature of Duties	Remuneration ( ` )	Qualifications & Experience (Years)	Date of commencement of employment	Last Employment, Name of employer, Post held and period (Years)	Equity shares held with spouse & dependent children (in %)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Shri M. K. Bhandari (63 years)	Executive	1,00,14,228	B.E. (Mech.) (40 years)	13.06.1992	Willard India Limited V.P. (Operations) (3 years)	0.00

**Notes :**

- Gross remuneration as above includes Salary, Incentives, Company's contribution to Provident & Gratuity Funds, Gratuity, Leave Encashment, Leave Travel Reimbursement, Medical Expenses Reimbursement, House Rent Allowance, Housing Accommodation and Monetary value of perquisites calculated in accordance with the provisions of Income Tax Act, 1961 and Rules made there under.
- Shri Vikram Somany is a father of Smt. Deepshikha Khaitan, director of the Company.

**Annexure to the Directors' Report****Management Discussion and Analysis**

At CERA, the growth saga continues, despite not-so-conducive market conditions. The fact that CERA registered a healthy topline growth of 24% itself shows that the brand has gathered strength to wither any market upheavals.

The growth of your Company, much above the market growth, is largely on account of its continued efforts in leveraging the high brand value and product optimization besides deeper penetration in tier 2 markets. These efforts are further fortified by strong and structured marketing efforts, good product quality and after-sales service, and backed by a very loyal distribution network across India.

Your Company's initiative to provide touch and feel experience to its customers through its CERA Style Studios, has paid off well. CERA Style Studios are located in upmarket locations in Ahmedabad, Mumbai, Kochi, Bengaluru, Hyderabad, Gurgaon, Chandigarh, Chennai and Kolkata.

CERA Style Galleries, display and sales touch points of CERA, owned and managed by its trade partners, are increasing month after month. Soon the number of such CERA Style Galleries would touch 200.

For smaller trade retail partners, CERA encourages display in the form of CERA Style Centre. This will help further penetrate into smaller towns and outlets, thereby increasing the visibility of brand CERA.

Your Company's current brand ambassador, Bollywood style and fashion icon and acclaimed actress, Sonam Kapoor, has added the brands visibility. High decibel television campaigns were unleashed on national and regional channels showcasing sanitaryware, faucets and tiles. The television campaign was supplemented by print advertisements in magazines.

Your Company also strengthened CERA Care, its after-sales division with induction of technicians for taking care of its services in all key cities of the country.

**a) Industry Structure and Developments**

Your Company's growth continues by virtue of its brand power, customer loyalty, product quality and distribution strength, built over a period of 34 years. Your Company's brand extension to other related categories like faucets and tiles has helped in accelerating the growth.

The industry structure remains unchanged viz. Indian manufacturers in organized and unorganized sectors; International brands with or without manufacturing in India and imports from countries like China.

**b) Opportunities and Threats**

Your Company has been growing despite the two threats—international brands and slow down in housing construction. The demand in mid-segment housing is affected least and your Company's ability to pitch in the mid-segment will help maintain the growth rate.

The announcement by Central Government about launch of 100 smart cities across India, can give a boost to construction industry and thereby for demand for sanitaryware.

Another significant action plan by Central Government, "Swachh Bharat Abhiyan", can also be a booster to sanitaryware in general.

**c) Outlook**

Your Company's two-pronged aggressive marketing push of mass media advertising over television and print and partnering with industry organisations like CREDAI (Confederation of Real Estate Developers Associations of India), IIA (Indian Institute of Architects), IIID (Institute of Indian Interior Designers) and IPA (Indian Plumbing Association) has helped increase the value and equity of brand CERA. Also, the sales and distribution efforts to penetrate into tier 2 towns, supported by sales and after-sales teams, is certainly going to help your Company grow in the coming years also.

**d) Risks and Concerns**

Any drastic change in Government policy may affect your Company.

**(e) 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, equipments 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.

**(f) Financial performance with respect to operational performance is discussed in the main part of the Report.****(g) 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, 2015 stands at 2380.

The company is ISO 9001, 14001 and BS 18001 certified. Your Company is also a member of Indian Green Building Council (IGBC), promoted by Confederation of Indian Industry (CII).

## Annexure to the Directors' Report

### Corporate Social Responsibility (CSR)

#### 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. 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.

#### Vidush Somany Education Programme

Education is an important prerequisite for the development of our communities. The youth holds the potential of bringing about fundamental changes in our society. This potential can be unleashed with proper educational facilities.

The **Vidush Somany Education Programme** was launched with the aim of empowering young students by facilitating basic education of high standards. With the support of Government schools, the Programme has been successful in benefitting nearly 1168 students in Kadi Town and Vill. Kundal, Mehsana district of Gujarat during the year. Understanding the need of the new generation of students, basic training in computer skills and other courses have been provided to primary schools in Kadi and surrounding areas.

An important aspect of this overreaching Programme is to facilitate and augment the basic formal education provided to students in Government schools. With the approval of District Education Officer (Primary), Mehsana District, the Programme holds special coaching classes for school students of classes from 3<sup>rd</sup> to 10<sup>th</sup> standards in Kadi and Kundal at no extra charges. The special classes are conducted within the school premises by qualified tutors supported under the Programme with an emphasis towards providing personal attention and hence limiting each batch to 30 students only. The special classes offer additional training to students in the subjects of Mathematics, Science, Social Science, English, Skill Development and Elementary Computer skills. Under the aegis of the Programme, five Municipal schools in Kadi and nearby village Kundal have been provided with about 125 computers and associated accessories like printers and mouse pads along with tables, chairs and stationery for providing quality education in basic computer skills to young students of primary classes. Conducted by qualified instructors appointed under the Programme, the computer education facilities are helping the students gain access to higher skills and knowledge opportunities. The Programme also supports the setting up of more computer education facilities in Mehsana district in the near future. For encouraging education for girls, exclusive classes are also held for girl students from 7.30 am to 10.30 am & 3.00 pm to 4.00 pm, while classes for boys are held from 7.30 am to 9.30 am & 3.00 pm to 6.30 pm scattered in different locations. Facilitating the young students in all aspects including availability of stationary items, the Programme provides educational support and from the nutritional point of view as well by providing regular refreshments.

Cera conducted a meditation session for local people wherein 263 nos were involved. On keeping light to the development of health & nutrition for young students, Cera arranged a Health Check up Camp through Care Hospital, Kadi for 2800 children. Cera also arranged Health camp for adults wherein 152 Nos took the facility.

The Programme also supports the children of Kadi workers in realizing their aspirations of higher education. Recognizing their potential and aspirations, the Programme has encouraged meritorious students of Kadi by offering education expenses for their higher education in the fields of Engineering, Medical and Pharma.

Cera has contributed the CSR activity for women empowerment at Vill. Kundal & Kadi location towards conducting stitching classes with well experienced professional tutors, sewing machines, materials and accessories. This year we have explored other women empowerment activities at Bhavpura location, Kadi like cooking, beauty parlour, hand embroidery, basic computer courses. We have empowered 409 women in this programme. Currently 139 ladies are undergoing the empowerment activities aided through Cera.

The Company has contributed to ISKON Food Relief Foundation which will give mid-day meals to 1001 needy children for a year.

#### Partnership for CSR activities with SEWA.

Your Company will be doing part of CSR activities in collaboration with SEWA Trust for conducting the CSR projects in the area of setting up women's holistic programme like "Jeevanshala, English speaking Lab, Low Cost rural products and Rudi processing unit" etc., in about 10 nearby villages covering 1000 women around Kadi.

## Annexure to the Directors' Report

## Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including : CSR policy of the company is available at web link :  
overview of the projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs  
http://www.cera-india.com/Content.aspx?conld=18  
Projects to be undertaken : education, health, woman empowerment

2. The Composition of the CSR Committee.  
Shri Vikram Somany – Chairman  
Shri Atul Sanghvi – Member  
Smt. Deepshikha Khaitan – Member  
Shri Ashok Chhajed – Member

3. Average net profit of the company for last three financial years : ₹ 7168.07 Lacs.

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) :  
The company is required to spend towards CSR. : ₹ 143.36 Lacs

5. Details of CSR spent during the financial Year :

a) Total amount to be spent for financial year : ₹ 143.36 Lacs

b) Amount unspent, if any : ₹ 55.47 Lacs

c) Manner in which the amount spent during the financial year is detailed below :

( ₹ in Lacs)

Sr. No.	CSR Project or Activity identified	Sector in Which the project is covered	Projects or Programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amt. outlay (Budget) project or programs wise	Amt. spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
1.	Scholarship to Meritorious Students; Educational Support for 6 Schools	Literacy/ Education	Kadi, Kundal Dist. Mehsana (Gujarat)	25.00	20.75	20.75	Direct
2.	Medical Assistance; Health Camps; Yog Shibir	Healthcare	Kadi Dist. Mehsana (Gujarat)	05.50	04.31	04.31	Direct
3	Women Empowerment	Upliftment/ Women Empowerment	Kadi, Kundal Dist. Mehsana (Gujarat)	20.00	19.88	19.88	Direct
4	Infrastructure Development; Safe Drinking water; Provision of Computers; Furniture Distribution	Infrastructure Development/ Education	Kadi, Sarsav, Budasan Dist. Mehsana (Gujarat)	23.00	22.59	22.59	Direct
5	Food to Needy	Eradicating hunger and poverty	Kolkata Kadi Dist. Mehsana (West Bengal & Gujarat)	22.00	20.36	20.36	Direct
	<b>TOTAL</b>			<b>95.50</b>	<b>87.89</b>	<b>87.89</b>	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part there of, the company shall provide the reasons for not spending the amount in its Board report.

The company has undertaken various projects mentioned above within immediate vicinity of plant. The projects are running on continuous basis. Due to unavailability of projects amount remain unspent. The company will make efforts to spend these amount in F.Y. 2015-16.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.

S.C. Kothari  
Chief Executive Officer

Vikram Somany  
Chairman CSR Committee



**Annexure to the Directors' Report**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L26910GJ1998PLC034400
- ii) Registration Date : 17.07.1998
- iii) Name of the Company : Cera Sanitaryware Limited
- iv) Category / Sub-Category of the Company : Public Limited Company
- v) Address of the Registered office and contact details : 9, GIDC Industrial Estate, Kadi 382715, Dist. Mehsana.  
Phone : (02764) 242329 Fax (02764) 242465
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2<sup>nd</sup> floor,  
Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 006.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sanitaryware, Tiles, Bathroom accessories & products, Faucetsware	239 (NIC 2008)	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	NIL				
2	NIL				

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

i) Category-wise Share Holding

	Category of Shareholders	No. shares held at the beginning of the year				No. shares held at the end of the year				% change during the Year
		Demat	physical	Total	% of total Shares	Demat	physical	Total	% of total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	2834809	0	2834809	22.40	2846809	0	2846809	21.88	-0.52
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	4264436	0	4264436	33.69	4265436	0	4265436	32.80	-0.89
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub Total(A)(1)</b>	<b>7099245</b>	<b>0</b>	<b>7099245</b>	<b>56.09</b>	<b>7112245</b>	<b>0</b>	<b>7112245</b>	<b>54.68</b>	<b>-1.41</b>

	Category of Shareholders	No. shares held at the beginning of the year				No. shares held at the end of the year				% change during the Year
		Demat	physical	Total	% of total Shares	Demat	physical	Total	% of total Shares	
<b>2</b>	<b>Foreign</b>									
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
c	Institutions	0	0	0	0	0	0	0	0.00	0.00
d	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
e	Any Others (Specify)	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	7099245	0	7099245	56.09	<b>7112245</b>	0	<b>7112245</b>	<b>54.68</b>	-1.41*
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	6411	500	6911	0.05	315367	500	315867	2.43	2.38
(b)	Financial Institutions / Banks	2650	5300	7950	0.06	101954	5300	107254	0.82	0.76
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1832340	0	1832340	14.48	1999054	0	1999054	15.37	0.89
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(i)	Any Other (specify) - Foreign Body Corporate	0	0	0	0	351000	0	351000	2.70	2.70
	<b>Sub-Total (B)(1)</b>	<b>1841401</b>	<b>5800</b>	<b>1847201</b>	<b>14.59</b>	<b>2767375</b>	<b>5800</b>	<b>2773175</b>	<b>21.32</b>	<b>6.73</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	604029	10950	614979	4.86	325439	8650	334089	2.58	-2.28
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ` 1 lakh	1287873	538270	1826143	14.44	1229140	457150	1686290	12.97	-1.47
II	Individual shareholders holding nominal share capital in excess of ` 1 lakh	999852	0	999852	7.90	841333	0	841333	6.47	-1.43
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(d)	Any Other (specify)									
(d-i)	Hindu Undivided Family	91691	400	92091	0.73	79374	400	79774	0.61	-0.12
(d-ii)	Non Resident Individuals	173863	1500	175363	1.39	131568	1500	133068	1.02	-0.37
(d-iii)	Trusts	0	0	0	0	45900	0	45900	0.35	0.35
	<b>Sub-Total (B)(2)</b>	<b>3157308</b>	<b>551120</b>	<b>3708428</b>	<b>29.32</b>	<b>2652754</b>	<b>467700</b>	<b>3120454</b>	<b>24.00</b>	<b>-5.32</b>

	Category of Shareholders	No. shares held at the beginning of the year				No. shares held at the end of the year				% change during the Year
		Demat	physical	Total	% of total Shares	Demat	physical	Total	% of total Shares	
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	4998709	556920	5555629	43.91	<b>5420129</b>	473500	<b>5893629</b>	<b>45.32</b>	1.41
	<b>TOTAL (A)+(B)</b>	12097954	556920	12654874	100.00	<b>12532374</b>	473500	<b>13005874</b>	<b>100.00</b>	0.00
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group		0				0			0.00
2	Public		0				0			0.00
	<b>Sub-Total (C)</b>	0	0	0	0	<b>0</b>	0	<b>0</b>	<b>0</b>	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	12097954	556920	12654874	100.00	<b>12532374</b>	473500	<b>13005874</b>	<b>100.00</b>	0.00

\* % decrease due to allotment of 3,51,000 equity shares on 05.03.2015 on preferential basis to other than promoters

**(ii) Shareholding of Promoters**

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	VIKRAM INVESTMENT CO. LTD	2900275	22.92	0.00.	2900275	22.30	0.00.	-0.62
2	MADHUSUDAN HOLDINGS LTD	7500	0.06	0.00.	7500	0.06	0.00.	0.00
3	VIKRAM SOMANY	937953	7.40	0.00.	941953	7.24	0.00.	-0.16
4	REKHA COMMERCIAL LTD	532388	4.21	0.00.	532388	4.09	0.00.	-0.12
5	TRISURE PROMOTIONS & TRADINGS LTD	484400	3.83	0.00.	484400	3.72	0.00.	-0.11
6	SMITI SOMANY	1542240	12.19	0.00.	1542240	11.86	0.00.	-0.33
7	SUVINAY TRADING & INVESTMENT CO LTD	259420	2.05	0.00.	259420	1.99	0.00.	-0.06
8	VIKRAM SOMANY	100000	0.79	0.00.	100000	0.77	0.00.	-0.02
9	VENUGOPAL HOLDINGS LTD	63388	0.50	0.00.	63388	0.49	0.00.	-0.01
10	DEEPSHIKHA KHAITAN	39116	0.31	0.00.	39116	0.30	0.00.	-0.01
11	GANGA SOMANY	15500	0.12	0.00.	23500	0.18	0.00.	0.06
12	POOJA JAIN SOMANY	200000	1.58	0.00.	200000	1.54	0.00.	-0.04
13	MADHUSUDAN INDUSTRIES LIMITED	17065	0.13	0.00.	18065	0.14	0.00.	0.01
	<b>TOTAL</b>	<b>7099245</b>	<b>56.09</b>	0.00.	<b>7112245</b>	<b>54.68</b>	0.00.	-1.41

\* % decrease due to allotment of 3,51,000 equity shares on 05.03.2015 on preferential basis to other than promoters

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7099245	56.09	7099245	56.09
	09.04.2014	4000 (Purchase)	0.04	7103245	56.13
	10.04.2014	3000 (Purchase)	0.03	7106245	56.16
	16.06.2014	2000 (Purchase)	0.01	7108245	56.17
	09.10.2014	2000 (Purchase)	0.02	7110245	56.19
	30.12.2014	1000 (Purchase)	0.01	7111245	56.20
	09.02.2015	215 (Purchase)	0.00	7111460	56.20
	27.02.2015	785 (Purchase)	0.006	7112245	56.20
	At the End of the year			7112245	54.68

\* % decrease due to allotment of 3,51,000 equity shares on 05.03.2015 on preferential basis to other than promoters

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

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	HSBC BANK (MAURITUS) LIMITED A/C JWALAMUKHI INVESTMENT HOLDINGS	1122769	8.87	821296	6.31
	Sale - Cumulative Holding : 10-10-2014 - 1107769, 24-10-2014- 1028660, 31-10-2014 - 1019660, 07-11-2014- 1014309 14-11-2014 - 1004309, 21-11-2014 - 975440, 31-12-2014 - 932650, 30-01-2015 - 846296, 06-02-2015 - 821296				
2	NALANDA INDIA EQUITY FUND LIMITED Purchase - Cumulative Holding : 09-05-2014 - 371558	348282	2.75	371558	2.86
3	INDIA 2020 FUND II, LIMITED Allotment - Cumulative Holding : 05.03.2015 - 351000	0	0.00	351000	2.70
4	VIJAY KEDIA Sale - Cumulative Holding : 09-05-2014 - 300000, 20-02-2015 - 276993, 06-03-2015 - 266548, 31-03-2015 - 253000	315000	2.49	253000	1.95
5	SAJAN KUMAR PASARI	245140	1.94	245140	1.88
6	STEADVIEW CAPITAL MAURITIUS LIMITED Purchase - Cumulative Holding : 02-05-2014 - 1523, 09-05-2014 - 103290, 16-5-2014 - 116290, 23-5-2014 - 144488, 6-6-2014 - 147188, 11-7-2014 - 162188, 1-8-2014 - 183182, 8-8-2014 - 209470, 14-8-2014 - 217238, 12-9-2014 - 221122, 20-2-2015 - 236120	0	0.00	236120	1.82
7	TATA BALANCED FUND Purchase - Cumulative Holding : 14-08-2014 - 40000, 29-08-2014 - 60000, 19-09-2014 - 65000, 21-11-2014 - 75000, 05-12-2014 - 80000, 24-12-2014 - 100000, 06-03-2015 - 140000, 20-03-2015 - 147000	0	0.00	147000	1.13
8	LTR FOCUS FUND Purchase - Cumulative Holding : 09-05-2014 - 57757, 16-05-2014 - 76767, 23-05-2014 - 85541, 06-06-2014 - 87041, 12-09-2014 - 90062, 06-02-2015 - 125062, 20-02-2015 - 132563	0	0.00	132563	1.02
9	DOLLY KHANNA Sale - Cumulative Holding : 31-05-2014 - 139622, 30-06-2014 - 135771, 18-07-2014 - 132466, 01-08-2014 - 131119, 12-09-2014 - 130942, 19-12-2014 - 129608, 30-01-2015 - 126783, 6-02-2015 - 126216, 6-03-2015 - 123680, 20-03-2015 - 122764	144183	1.14	122764	0.94
10	RAHUL RAMKUMAR RATHI	113529	0.90	113529	0.87

\* % decrease due to allotment of 3,51,000 equity shares on 05.03.2015 on preferential basis to other than promoters

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and KMP				
1	Shri Vikram Somany 09-04-2014 - 4000 (Purchase)	1037953	8.20	1041953	8.01
2	Shri Sajan Kumar Pasari	245140	1.94	245140	1.88
3	Smt. Deepshikha Khaitan	39116	0.31	39116	0.30
4	Shri Ashok Chhajed	600	0.00	600	0.00
5	Shri Lalit Kumar Bohania	0	0.00	0	0.00
6	Shri Govindbhai P. Patel	0	0.00	0	0.00
7	Dr. K. N. Maiti	0	0.00	0	0.00
8	Shri Atul Sanghvi 08-08-2014 - 18 (Purchase)	0	0.00	18	0.00
9	Shri S. C. Kothari 24-07-2014 - 100 (Purchase)	6654	0.05	6754	0.05
10	Shri Rajesh B. Shah 18-06-2014 - 500 (Purchase) 12-02-2015 - 250 (sale)	2	0.00	252	0.00
11	Shri Narendra N. Patel	0	0.00	0	0.00

\* % decrease due to allotment of 3,51,000 shares on 05.03.2015 on preferential basis to other than promoters.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Amount in `)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	482526741	0	69467685	551994426
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	482526741	0	69467685	551994426
Change in Indebtedness during the financial year				
Addition	199089568	0	15352936	214442504
Reduction	0	0	0	0
Net Change	199089568	0	15352936	214442504
Indebtedness at the end of the financial year				
i) Principal Amount	681616309	0	84820621	766436930
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	681616309	0	84820621	766436930

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount ( ` )
		Vikram Somany	Atul Sanghvi	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21473750	9300494	30774244
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961.	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of Profit	7692000	0	7692000
	- Others, specify as a % on sales	18975000	0	18975000
5	Others, specify (perq + PF)	1851203	360000	2211203
	Total (A)	49991953	9660494	59652447
	Celling as per Act	54226757	54226757	108453514

## B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount ( ` )
		Ashok Chhajed	Sajan Kumar Pasari	Govindbhai P. Patel	Lalit Kumar Bohania	
1	Independent Directors					
	• Fee for attending board committee meetings	0	0	0	0	0
	• Commission	200000	200000	200000	200000	800000
	• Others, please specify	0	0	0	0	0
	Total (1)	200000	200000	200000	200000	800000
2	Other Non-Executive Directors	Dr. K. N. Maiti*		Smt. Deepshikha Khaitan		
	• Fee for attending board committee meetings	0		0		0
	• Commission	200000		200000		400000
	• Others, please specify	0		0		0
	Total (2)	200000		200000		400000
	Total (B)=(1+2)					1200000
	Total Managerial Remuneration					60852447
	Overall Ceiling as per the Act					119298864

\* Dr. K. N. Maiti is also paid consultancy fee of ` 2336817/- as Ceramic Scientist.

C. Remuneration to key managerial personnel other than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount ( ` )
		CEO	CS	CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21576000	2991904	4364260	28932164
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others. specify...	0	0	0	0
5	Others, please specify (Perq + PF)	1036800	171360	256752	1464912
	Total	22612800	3163264	4621012	30397076

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## Annexure to the Directors' Report

## FORM No.AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1)	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	NOT APPLICABLE
(b)	Nature of contracts / arrangements / transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date (s) of approval by the Board	
(g)	Amount paid as advances, if any;	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2) Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Madhusudan Industries Ltd. Directors interested	Swadeshi Fan Industries Ltd. Directors interested	Dr. K. N. Maiti Holding place of profit	Smt.Smiti Somany Holding of office	Smt.Pooja Jain Somany Holding of office
(b)	Nature of contracts / arrangements / transactions	- Taking of property on Lease - Reimbursement of Expenses	Reimbursement of Expenses	Consultancy fees in professional capacity	Holding of office	Holding of office
(c)	Duration of the contracts / arrangements / transactions	01-07-2013 to 31-01-2018	As and When actual payment made	01-04-2014 to 31-03-2019	Till termination	Till termination
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Monthly lease Rent / Rent of ` 844760/-.	No formal contract	As per AGM notice dated 25-04-2013. Monthly consultancy fees ranging from ` 175000 to ` 450000	As per AGM notice dated 22-07-2011	As per AGM notice dated 22-07-2011
(e)	Date (s) of approval by the Board, if any,	Every Board meeting held after payment & 02-02-2015	Every Board meeting held after payment	25-04-2013 (AGM approval date 11-07-2013)	21-07-2011 (AGM approval date 06-09-2011)	21-07-2011 (AGM approval date 06-09-2011)
(f)	Amount paid as advances, if any;	Deposits ` 1946000/-.	NA	NA	NA	NA

The other details are mentioned in Note no.40 of attached Financial Statements for the year ended 31-03-2015

For and on behalf of the Board of Directors

Ahmedabad  
April 23, 2015

**Vikram Somany**  
Chairman and Managing Director



**Annexure to the Directors' Report****CORPORATE GOVERNANCE REPORT**

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

**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, an Executive Director, four Independent Directors and two non-executive directors.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review.

During the year, 9 (nine) Board Meetings were held on 25.04.2014, 12.06.2014, 11.07.2014, 22.08.2014, 07.10.2014, 25.10.2014, 29.01.2015, 02.02.2015 and 05.03.2015.

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 directorships	No. of Other Committee Memberships
1.	Shri Vikram Somany	Chairman and Managing Director	8	YES	1	—
2.	Smt. Deepshikha Khaitan	Non-Executive Promoter Director	6	YES	2	—
3.	Shri Sajan Kumar Pasari	Non-Executive Independent Director	3	NO	9	—
4.	Shri Ashok Chhajed	Non-Executive Independent Director	5	YES	—	—
5.	Dr. K N Maiti	Non-Executive Director	6	YES	—	—
6.	Shri Govindbhai P Patel	Non-Executive Independent Director	6	YES	—	—
7.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	3	NO	13	—
8.	Shri Atul Sanghvi	Executive Director	7	YES	2	—

**Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, Nomination and Remuneration Committee and stake holders 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 separately.

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 March 25, 2015 inter alia, to discuss:

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

**Code of Conduct**

The Company has finalized 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 [www.cera-india.com](http://www.cera-india.com)

**CEO/CFO certification**

As per clause 49 of listing agreement entered with the stock exchanges, a certificate from CEO/CFO has been obtained.

**Vigil Mechanism (Whistle Blower Policy)**

The Company has implemented a Vigil Mechanism (whistle Blower policy) and is posted on the Company's web site [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 Ashok Chhajed – Chairman (independent), Shri Vikram Somany, Shri Sajan Kumar Pasari (Independent), Shri Lalit Kumar Bohania (Independent) and Shri Govindbhai P. Patel (Independent). During the year, four Audit Committee Meetings were held on 25.04.2014, 11.07.2014, 07.10.2014 and 02.02.2015.

**Terms of reference**

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement and Section 177 of the Companies Act, 2013.

**4) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee, consists of 5 (Five) directors namely, Shri Govindbhai P. Patel – Chairman

(independent), Shri Vikram Somany, Shri Lalit Kumar Bohania (independent) Shri Sajan Kumar Pasari (independent), and Shri Ashok Chhajed (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, two meetings were held on 25.04.2014 and 11.07.2014.

Independent Directors are appointed based on the criteria such as knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company 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 Ashok Chhajed (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 25.04.2014 and 07.10.2014.

#### 5) 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.

#### 6) Details of remuneration for the year ended 31.03.2015

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

Name	Remuneration (₹)	Perquisites and Retirement benefits (₹)	Commission (₹)
Shri Vikram Somany Chairman and Managing Director	2,14,73,750/-	18,51,203/-	2,66,67,000/-
Shri Atul Sanghvi Executive Director	93,00,494/-	3,60,000/-	—

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 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 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 to them for the year 2014-15 are as under:

Name	Commission (₹)
Shri Sajan Kumar Pasari	2,00,000/-
Dr. K. N. Maiti	2,00,000/-
Shri Lalit Kumar Bohania	2,00,000/-
Shri Ashok Chhajed	2,00,000/-
Shri Govindbhai P. Patel	2,00,000/-
Smt. Deepshikha Khaitan	2,00,000/-
<b>TOTAL</b>	<b>12,00,000/-</b>

Dr.K.N.Maiti is also paid consultancy fees of ₹ 23,36,817/- 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 Sajan Kumar Pasari	2,45,140	1.88
Dr. K. N. Maiti	Nil	Nil
Shri Lalit Kumar Bohania	Nil	Nil
Shri Ashok Chhajed	600	0.00
Shri Govindbhai P. Patel	Nil	Nil
Smt. Deepshikha Khaitan	39,116	0.30

**7) Share Transfer Committee**

In accordance with the Listing Agreement with the Stock Exchanges, 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 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.

**8) 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 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 2014-15, the Company had received 341 complaints / queries from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31.03.2015, 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 up to 31.03.2015 and all requests for dematerialisation and rematerialisation of shares as on that date were confirmed / rejected into the NSDL/ CDSL system.

During the year, one meeting was held on 25.04.2014.

**9) General Body Meetings**

The last three Annual General Meetings were held as under:

Financial Year ended	Date	Time	Venue
31.03.2014	22.08.2014	11.00 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2013	11.07.2013	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2012	12.09.2012	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.

For creation of charges on the assets of the company u/s 180(1) (a) of the Companies Act, 2013 shareholders' approval was sought by voting through postal ballot last year.

**10) Disclosures**

- 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.
- There were no instances of non-compliance of any matter related to the capital market, during the last three years.

- In terms of clause 5A of the Listing Agreement, the company has issued notices 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, 2014.	459	79,895
Number of shareholders who approached the Company for shares during the year.	61	14,615
Number of shareholders to whom shares were issued during the year.	61	14,615
Aggregate number of shareholders and shares outstanding as on March 31, 2015.	398	65,280

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

**11) Means of Communication**

- Quarterly results are published in leading daily newspapers viz. Financial Express / Economic Times / Times of India and a local language newspaper viz. Economic Times/ Jai Hind/ Divya Bhaskar / Financial Express. The annual results (Annual Reports) are posted 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 these information on their website <http://www.bseindia.com> and <http://www.nseindia.com>. The said information is also available on our website [www.cera-india.com](http://www.cera-india.com).

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

Date and Time : 30<sup>th</sup> July, 2015 @ 11.30 a.m.  
Venue : 9, GIDC Industrial Estate, Kadi – 382 715, Dist. Mehsana.

**2. Financial Calendar 2015-16 (tentative) :**

Annual General Meeting By 3<sup>rd</sup> / 4<sup>th</sup> week of September, 2016

Results for quarter ending By 15<sup>th</sup> day of  
June 30, 2015 August, 2015  
September 30, 2015 November, 2015  
December 31, 2015 February, 2016  
March 31, 2016 (Audited) By 30<sup>th</sup> May, 2016

**3. Book Closure date**

18<sup>th</sup> July, 2015 to 24<sup>th</sup> July, 2015. (both days inclusive)

**4. Dividend Payment**

Dividend for the year ended 31.03.2015 will be paid to the members whose names will appear in the register of members of the Company, on 24-07-2015 after giving effect to all valid transfer of shares in physical form lodged with the Company on or before 17<sup>th</sup> July, 2015 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 17<sup>th</sup> July, 2015.

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 through ECS/ NECS.

**5. Listing on Stock Exchanges**

The Company's shares are listed at BSE Limited and National Stock Exchange of India Limited. The company has paid listing fees for the year 2014-15 and 2015-16 to the Stock Exchanges.

BSE Limited  
Scrip Code :532443 Scrip ID : CERASAN  
National Stock Exchange of India Limited  
Trading Symbol: CERA.

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

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	969.75	810.00	975.00	815.00
May 2014	1,366.00	965.00	1,379.90	962.10
June 2014	1,450.00	1,195.50	1,450.00	1,125.00
July 2014	1,368.15	1,181.50	1,379.45	1,174.50
August 2014	1,823.60	1,310.00	1,828.90	1,220.00
September 2014	1,720.00	1,470.00	1,743.45	1,475.00
October 2014	1,848.00	1,580.55	1,844.00	1,580.00
November 2014	1,826.95	1,619.20	1,840.00	1,620.05
December 2014	1,804.00	1,550.00	1,823.95	1,550.50
January 2015	2,170.00	1,783.80	2,165.00	1,770.55
February 2015	2,884.00	2,100.00	2,895.00	2,135.00
March 2015	2,750.00	2,470.50	2,750.00	2,463.45

**7. Share Transfer**

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, dematerialisation and rematerialisation should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2<sup>nd</sup> 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.

**13) Share Transfer System**

The share transfer/s is normally effected within a period of 10-13 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 days for effecting transfer of shares and other related matters.

**14) Distribution of Shareholding as on 31.03.2015**

Shares	No. of Shareholders	Total No. of Shares
1 – 500	10,577	10,66,862
501 – 1000	299	2,18,709
1001 – 2000	142	2,04,186
2001 – 3000	46	1,14,622
3001 – 4000	20	71,861
4001 – 5000	17	75,413
5001 – 10,000	28	2,04,307
10,001 – 50,000	29	7,40,943
50,001 – 1,00,000	7	5,44,160
1,00,001 And above	18	97,64,811
<b>Total</b>	<b>11,183</b>	<b>1,30,05,874</b>

**15) Pattern of Shareholding as on 31.03.2015**

Sr. No.	Category	No. of Shares	(%)
1.	NRIs	1,33,068	1.02
2.	FIIIs	19,99,054	15.37
3.	Financial Institutions/Banks	1,07,254	0.82
4.	Mutual Funds	3,15,867	2.43
5.	Foreign Body Corporate	3,51,000	2.70
6.	Promoters	71,12,245	54.68
7.	Bodies Corporate	3,34,089	2.58
8.	Indian Public	26,53,297	20.40
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

**16) Dematerialisation of Shares as on 31.03.2015**

As on 31.03.2015, 96.36% of the Company's total shares representing 1,25,32,374 Shares were held in dematerialized form and the balance 3.64% representing 4,73,500 shares were in paper form.

The ISIN Number in NSDL and CDSL is "INE 739E01017".

**17) 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.
- Wind Farms :  
1. Village Patelka & Lamba, Taluka Kalyanpur, District Jamnagar, Gujarat.  
2. Village & Taluka Kalyanpur, District Jamnagar, Gujarat.  
3. Village Kadoli, Taluka Abdasa, District Kutchh, 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.

**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 Ahmedabad Office at "Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006 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.

The Company has partly adopted non-mandatory requirements.

**AUDITOR'S CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by Cera Sanitaryware Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of 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 clause 49 of 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 : 23<sup>rd</sup> April, 2015

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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 and the same is uploaded on the website of the Company - [www.cera-india.com](http://www.cera-india.com).

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 31st March, 2015.

For **Cera Sanitaryware Limited**

Ahmedabad.  
23<sup>rd</sup> April, 2015

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

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED March 31, 2015

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

To,  
The Members,  
Cera Sanitaryware Limited  
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 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, 2015 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, 2015 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;
- 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 (Effective from 28<sup>th</sup> October, 2014);

Not applicable as the Company has not issued any options/ shares under the said Regulations during the year under review.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable as Company has not issued any Debt Securities 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; and

Not applicable as the Company has not delisted any of its shares from any Stock Exchange during the year under review.

- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008

Not applicable as the Company has not bought back any of its securities during the year under review.

- 6) Factories Act, 1948

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not notified during the year under review)
- (ii) The Listing Agreements entered into by the Company with BSE limited and National Stock Exchange of India Limited.

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

**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. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

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 during the year under review, one board meeting has been convened with shorter notice in compliance of the applicable provisions of Companies Act, 2013 and 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 through on the basis of majority. There were no dissenting views by any member of Board / Committee in the meetings held during the year under review.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**

The Company has obtained necessary approval of members through Postal Ballot on August 22, 2014 to mortgage its properties in compliance of the provisions of section 180 (1) (a) of the Companies Act, 2013.

The Company has made Preferential allotment / issue of 3,51,000 Equity Shares to the person belonging to Non Promoters in compliance of the provisions of Section 42 and 62 of the Companies Act, 2013 including the Rules framed thereunder and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

There were no other instances of:

- a) Public/Right issue of shares/debentures/sweat equity, etc.
- b) Redemption/buy-back of securities
- c) Merger/amalgamation/reconstruction, etc.
- d) Foreign technical collaborations

For Umesh Parikh & Associates  
Company Secretaries

Umesh G. Parikh  
Proprietor  
FCS No. 4152  
C P No.: 2413

Place : Ahmedabad  
Date : April 13, 2015

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To  
The Members,  
Cera Sanitaryware Limited

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, we followed 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 Umesh Parikh & Associates  
Company Secretaries

Umesh G. Parikh  
Proprietor  
FCS No. 4152  
C P No.: 2413

Place : Ahmedabad  
Date : April 13, 2015

## Auditors' Report

To,  
The Members of Cera Sanitaryware Limited

We have audited the accompanying financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("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 the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**H. V. Vasa & Co.**

Chartered Accountants  
Firm Reg. No. 131054W

**Tushar H. Vasa**

Proprietor

Membership No. 16831

Place : Ahmedabad  
Date : 23<sup>rd</sup> April 2015

**The Annexure referred to in "Report on Legal and Other Regulatory Requirements" paragraph 1 of the Our Report of even date to the members of CERA SANITARYWARE LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:
  - (a) The company has maintained proper records, showing full particulars including quantitative details and situation



- of its fixed assets on the basis of available information, other than furniture and fixtures.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
2. In respect of its inventories :
- (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 :
- (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not received or granted, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) of paragraph 3 of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with its size of the company and the nature of business for the purchase of inventories, fixed assets and also for sale of goods and services. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, related to the maintenance of manufacture of certain products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. In respect of statutory dues:
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following disputed statutory dues have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Sr. No.	Name of Statute	Nature of Dues	Amount (Lacs)	Period to which the amount relates (FY)	Forum where dispute is Pending
1	Income-tax Act, 1961	Income-tax	4.43	2004-05	Hon'ble Gujarat High Court
2	Income-tax Act, 1961	Penalty	7.61	2004-05	Income-tax Appellate Tribunal
3	Income-tax Act, 1961	Income-tax	16.82	2008-09	Commissioner of Income-tax (Appeals)
4	Income-tax Act, 1961	Income-tax	1.91	2009-10	Commissioner of Income-tax (Appeals)

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
9. As per the Books and records maintained by the company and according to the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to bank.
10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
12. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

**H. V. Vasa & Co.**  
Chartered Accountants  
Firm Reg. No. 131054W  
**Tushar H. Vasa**  
Proprietor  
Membership No. 16831

Place : Ahmedabad  
Date : 23<sup>rd</sup> April 2015

## Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	65,029,370	63,274,370
(b) Reserves and Surplus	2	3,452,038,609	2,176,399,484
		<b>3,517,067,979</b>	<b>2,239,673,854</b>
<b>2. Non - current Liabilities</b>			
(a) Long-term Borrowings	3	142,383,839	90,000,000
(b) Deferred Tax Liabilities (Net)	4	278,240,902	201,986,306
(c) Other Long-term Liabilities	5	92,694,196	79,108,342
(d) Long-term Provisions	6	255,890,794	274,744,517
		<b>769,209,731</b>	<b>645,839,165</b>
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	7	450,202,167	333,610,078
(b) Trade Payables	8	486,551,197	376,880,222
(c) Other Current Liabilities	9	998,733,417	760,731,109
(d) Short-term Provisions	10	220,606,370	175,337,789
		<b>2,156,093,151</b>	<b>1,646,559,198</b>
<b>Total</b>		<b>6,442,370,861</b>	<b>4,532,072,217</b>
<b>II ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	2,146,794,974	1,517,028,860
(ii) Intangible Assets	11	-	-
(iii) Capital Work-in-progress	11	76,553,678	52,027,268
(iv) Intangible Assets under development	11	-	-
(b) Non-current Investments	12	13,000	13,000
(c) Long-term Loans and Advances	13	320,165,454	283,025,987
		<b>2,543,527,106</b>	<b>1,852,095,115</b>
<b>2. Current Assets</b>			
(a) Current Investments	14	477,564,791	121,302,970
(b) Inventories	15	1,258,913,938	1,045,760,946
(c) Trade Receivables	16	1,612,230,084	1,066,221,276
(d) Cash and Cash equivalents	17	295,291,187	307,103,956
(e) Short-term Loans and Advances	18	252,189,239	134,601,206
(f) Other Current Assets	19	2,654,516	4,986,748
		<b>3,898,843,755</b>	<b>2,679,977,102</b>
<b>Total</b>		<b>6,442,370,861</b>	<b>4,532,072,217</b>

Significant Accounting Policies

Notes to Accounts on Financial Statements

29 to 41

As per our report of even date attached

For and on behalf of

**H. V. Vasa & Co.**

Firm Registration No. : 131054W

Chartered Accountants

**Tushar H. Vasa**

Proprietor

Membership No. 16831

Place : Ahmedabad

Date : 23rd April, 2015

**Rajesh B. Shah**  
C F O & C O O (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany****Ashok Chhajed****Dr. K. N. Maiti****Govindbhai P. Patel****Deepshikha Khaitan****Atul Sanghvi**

Chairman and Managing Director

Director

Director

Director

Director

Executive Director

## Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	2014-15	2013-14
I Revenue from Operations	20	8,216,677,060	6,636,923,780
II Other Income	21	65,870,696	61,521,487
III <b>Total Revenue (I + II)</b>		<b>8,282,547,756</b>	<b>6,698,445,267</b>
IV Expenses :			
Cost of Materials Consumed	22	708,707,393	649,140,425
Purchases	23	3,321,574,229	2,519,579,395
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-Trade	24	(187,425,384)	(113,837,223)
Employee Benefits Expenses	25	917,364,938	743,489,515
Finance Costs	26	77,288,429	64,416,478
Depreciation and Amortization Expenses		154,609,048	122,470,014
Other Expenses	27	2,281,166,842	1,889,191,685
<b>Total Expenses</b>		<b>7,273,285,495</b>	<b>5,874,450,289</b>
V Profit before tax (III-IV)		1,009,262,261	823,994,978
VI Tax expense:			
(1) Current tax (including for earlier years)		252,525,000	265,135,000
(2) Deferred tax		80,092,171	39,803,813
		<b>332,617,171</b>	<b>304,938,813</b>
VII Profit for the period (V - VI)		<b>676,645,090</b>	<b>519,056,165</b>
VIII Earnings per equity share of face value of ₹ 5/- each			
Basic & Diluted	28	53.36	41.02
Significant Accounting Policies Notes to Accounts on Financial Statements	29 to 41		

As per our report of even date attached

For and on behalf of

**H. V. Vasa & Co.**

Firm Registration No. : 131054W

Chartered Accountants

**Tushar H. Vasa**

Proprietor

Membership No. 16831

Place : Ahmedabad

Date : 23rd April, 2015

**Rajesh B. Shah**  
C F O & C O O (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany****Ashok Chhajed****Dr. K. N. Maiti****Govindbhai P. Patel****Deepshikha Khaitan****Atul Sanghvi**

Chairman and Managing Director

Director

Director

Director

Director

Executive Director

## Cash Flow Statement for the year ended 31st March, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	1,009,262,261	823,994,978
Adjusted for		
Depreciation	154,609,048	122,470,014
Foreign Exchange (loss) / gain	1,974,587	1,128,258
Provision for diminution in value of Investments	12,921	256,202
Interest Charged	75,797,172	62,914,974
Interest received	(13,816,145)	(25,487,863)
Dividend received	(1,449,191)	(713,085)
Foreign Exchange Variation (Income) / Loss	(1,974,587)	(1,128,258)
Profit on Sale of Investments	(64,427)	(143,443)
Amortisation of Lease hold Land	59,870	59,870
(Profit) / Loss on Sale of Fixed Assets (Net)	<u>11,520,853</u>	<u>1,469,343</u>
	<b>226,670,101</b>	<b>160,826,012</b>
Operating profit before working capital changes	<b>1,235,932,362</b>	<b>984,820,990</b>
Adjustment for changes in working capital		
Inventories	(213,152,992)	(105,523,397)
Trade and other Receivable	(546,008,808)	(234,915,828)
Short-term loans and advances	(117,588,033)	(40,979,871)
Other Current Assets	2,332,232	1,772,807
Long-term loans and advances	(12,990,846)	(24,310,411)
Trade Payable	109,670,975	100,778,247
Short Term Provision	21,461,695	25,135,999
Other Current Liabilities	207,888,668	152,060,985
Other Long Term Liabilities	<u>13,585,854</u>	<u>8,462,100</u>
	<b>(534,801,255)</b>	<b>(117,519,369)</b>
Cash generated from operations	<b>701,131,107</b>	<b>867,301,621</b>
Direct taxes paid	<b>(295,527,344)</b>	<b>(233,110,768)</b>
Net cash from operating activities: Total (A)	<b>405,603,763</b>	<b>634,190,853</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(853,255,020)	(418,667,276)
Proceeds from sale of fixed assets	21,482,420	19,466,817
Purchase of Current Investments	(407,575,012)	(119,738,754)
Sale of Current Investments	51,364,697	12,130,717
Interest received	13,816,145	25,487,863
Dividend received	<u>1,449,191</u>	<u>713,085</u>
Net cash used in investing activities: Total (B)	<b>(1,172,717,579)</b>	<b>(480,607,548)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	706,036,500	-
Right issue expenses	-	-
Proceeds from borrowings/Repayment of Loan	199,089,569	(127,876,746)
Dividend paid	(63,274,370)	(50,619,496)
Tax on distributed profit	(10,753,480)	(8,602,785)
Interest paid	<u>(75,797,172)</u>	<u>(62,914,974)</u>
Net cash used in financing activities: Total (C)	<b>755,301,047</b>	<b>(250,014,001)</b>
<b>Net changes in cash &amp; cash equivalents (A+B+C)</b>	<b>(11,812,769)</b>	<b>(96,430,696)</b>
<b>Cash &amp; cash equivalent-Opening Balance</b>	<b>307,103,956</b>	<b>403,534,652</b>
<b>Cash &amp; cash equivalent-Closing Balance</b>	<b>295,291,187</b>	<b>307,103,956</b>

As per our report of even date attached

For and on behalf of

**H. V. Vasa & Co.**

Firm Registration No. : 131054W

Chartered Accountants

**Tushar H. Vasa**

Proprietor

Membership No. 16831

Place : Ahmedabad

Date : 23rd April, 2015

**Vikram Somany**

Chairman and Managing Director

**Ashok Chhajed**

Director

**Dr. K. N. Maiti**

Director

**Govindbhai P. Patel**

Director

**Deepshikha Khaitan**

Director

**Atul Sanghvi**

Executive Director

### Notes 1 to 41 annexed to and forming part of the Accounts as at 31st March, 2015

	As at 31st March, 2015	As at 31st March, 2014
<b>1. Share Capital</b>		
<b>A Authorised, Issued, Subscribed &amp; Paid up Share Capital</b>		
<b>Authorised</b>		
2,00,00,000 (2,00,00,000) Equity Shares of ` 5/- each	100,000,000	100,000,000
Total	100,000,000	100,000,000
<b>Issued, Subscribed &amp; Paid Up</b>		
1,30,05,874 (1,26,54,874) Equity Shares of ` 5/- each fully paid up	65,029,370	63,274,370
Total	65,029,370	63,274,370
<b>Terms / rights attached to Equity Shares :</b>		
The company has only one class of Equity Shares having a par value of ` 5/- per share. Each holder of Equity Shares is entitled to one vote per share and each equity share carries an equal right to dividend.		
<b>B Of the 1,30,05,874 Equity Shares :</b>		
3,51,000 Equity Shares of face value ` 5/- each are allotted to <b>India 2020 Fund II, Limited</b> on preferential basis during the year 2014-15		
<b>C Issue of Bonus Shares</b>		
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares allotted as fully paid by way of Bonus Shares	6,327,437	6,327,437
During the year ended March 31, 2011 Company had issued 63,27,437 equity shares of ` 5/- each by way of fully paid up bonus shares by capitalisation of Securities Premium.		
<b>D Reconciliation of the number of Equity Shares outstanding is set out below :</b>		
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
<b>Particulars</b>		
Shares at the beginning of the year	12,654,874	12,654,874
Add : Issued during the year	351,000	-
Shares outstanding at the end of the year	13,005,874	12,654,874
<b>E Details of shareholders holding more than 5% of the aggregate shares :</b>		
	<b>As at 31st March, 2015</b>	
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Vikram Investment Co. Ltd.	2,900,275	22.30
	(2,900,275)	(22.92)
Shri Vikram Somany	1,041,953	8.01
	(1,037,953)	(8.20)
Smt Smiti Somany	1,542,240	11.86
	(1,542,240)	(12.18)
HSBC Bank (Mauritius) Limited A/c - Jwalamukhi Investment Holdings	821,296	6.31
	(1,122,769)	(8.87)

	As at 31st March, 2015	As at 31st March, 2014
<b>2. Reserves &amp; Surplus</b>		
<b>a. Securities Premium Reserve</b>		
As per last Balance Sheet	105,312,106	105,312,106
Add : On issue of shares	704,281,500	-
Balance at the end of the year	<u>809,593,606</u>	<u>105,312,106</u>
<b>b. General Reserve</b>		
As per last Balance Sheet	1,771,087,378	1,436,450,100
Less : Depreciation on assets for period prior to 31.03.2014 (Refer Note No 37)	(7,452,729)	-
Add : Transferred from Profit & Loss Account	378,810,354	334,637,278
Balance at the end of the year	<u>2,142,445,003</u>	<u>1,771,087,378</u>
<b>c. Profit &amp; Loss Account</b>		
As per last Balance Sheet	300,000,000	190,000,000
Add : Net Profit for the year	676,645,090	519,056,165
Less : Proposed Dividend ( ` 6.25/- per Share)	(81,286,713)	(63,274,370)
Tax on Dividend	(16,548,023)	(11,144,517)
Transfer to Reserves	(378,810,354)	(334,637,278)
Balance at the end of the year	<u>500,000,000</u>	<u>300,000,000</u>
<b>Total</b>	<u>3,452,038,609</u>	<u>2,176,399,484</u>
<b>3. Long Term Borrowings</b>		
<b>Secured :</b>		
<b>Term Loans from Banks : (Refer note no-9(a))</b>		
<b>(i) From State Bank of India</b>	54,000,000	90,000,000
(Secured by mortgage of Fixed Assets situated at 9,GIDC Industrial Estate, Residential Colony at Kadi and charge by hypothecation of movable assets and Kadoli, Lamba, Patelka and Kalyanpur windmills), repayable in 20 quarterly installments, from November, 2012 to February, 2018.		
<b>(ii) From Kotak Mahindra Bank Ltd</b>	88,383,839	-
Secured on pledge of Debt Funds, (Repayable in 36 monthly installments, from December 2014 to November 2017).		
<b>Total</b>	<u>142,383,839</u>	<u>90,000,000</u>
<b>4. Deferred Tax Liability (Net)</b>		
Deferred Tax Liabilities on account of :		
Depreciation (including of earlier years)	292,165,911	214,899,105
Deferred Expenses	136,895	109,516
	<u>292,302,806</u>	<u>215,008,621</u>
Less : Deferred Tax Assets on account of :		
Expenses allowable on payment basis	14,061,904	13,022,315
<b>Total</b>	<u>278,240,902</u>	<u>201,986,306</u>
<b>5. Other Long Term Liabilities</b>		
Deposits by Dealers	84,820,621	69,467,685
Other liabilities	7,873,575	9,640,657
<b>Total</b>	<u>92,694,196</u>	<u>79,108,342</u>
<b>6. Long Term Provisions</b>		
Provision for Taxation	255,890,794	274,744,517
<b>Total</b>	<u>255,890,794</u>	<u>274,744,517</u>
<b>7. Short Term Borrowings</b>		
<b>Secured :</b>		
<b>(a) Working Capital Loans from Bank</b>	450,202,167	333,610,078
From State Bank of India (Secured by hypothecation of Goods, Book-Debts, Movable assets and Kadoli, Lamba, Patelka and Kalyanpur Windmills, lien on Fixed Deposits and mortgage of Fixed Assets situated at 9, GIDC Industrial Estate and Residential Colony, Kadi).		
<b>Total</b>	<u>450,202,167</u>	<u>333,610,078</u>

	As at 31st March, 2015		As at 31st March, 2014								
<b>8. Trade Payable</b>											
Due to Micro, Small & Medium Enterprises		136,478,512		134,162,783							
Others		350,072,685		242,717,439							
<b>Total</b>		<b>486,551,197</b>		<b>376,880,222</b>							
There is no principal amount and Interest overdue to Micro, Small & Medium Enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the company.											
<b>9. Other Current Liabilities</b>											
(a) Current maturities of long term debts (Refer note No - 3)		89,030,303		58,916,663							
(b) Unclaimed dividends		4,910,820		3,927,028							
(c) Unpaid matured deposits and interest accrued thereon		351,531		351,531							
(d) Other payables*		904,440,763		697,535,887							
<b>Total</b>		<b>998,733,417</b>		<b>760,731,109</b>							
* Includes statutory dues, Advance received from customers, amounts payable to Employees.											
<b>10. Short Term Provisions</b>											
(a) Provision for employees' benefits		122,771,634		101,309,939							
(b) Others											
- Proposed Dividend		81,286,713		63,274,370							
- Tax on Dividend		16,548,023		10,753,480							
<b>Total</b>		<b>220,606,370</b>		<b>175,337,789</b>							
<b>11. Fixed Assets</b>											
Description	Gross Block				Depreciation / Amortisation				Net Block		
	As at 1st April 2014	Additions / Adjustments	Deductions / Adjustments	Balance as at 31st March 2015	As at 1st April 2014	Additional Depreciation till 31st March 2014	For the year	Deductions / Adjustments	Upto 31st March 2015	As at 31 March 2015	As at 31 March 2014
<b>a TANGIBLE ASSETS :</b>											
<b>Owned Assets :</b>											
Leasehold Land	1,286,294	-	59,870	1,226,424	-	-	-	-	-	1,226,424	1,286,294
Freehold Land	4,565,127	44,878,438	-	49,443,565	-	-	-	-	-	49,443,565	4,565,127
Buildings	578,517,573	149,926,539	-	728,444,112	138,252,675	7,650,098	60,660,559	-	206,563,332	521,880,780	440,264,898
Plant & Machinery	1,372,054,414	593,743,829	54,232,336	1,911,565,907	380,388,932	289,825	54,254,395	24,180,929	410,752,223	1,500,813,684	991,665,482
Furniture & Fixtures	105,931,452	32,390,009	2,647,461	135,674,000	53,737,327	3,125,744	29,793,873	2,144,698	84,512,246	51,161,754	52,194,125
Vehicles	54,466,694	7,789,795	9,435,531	52,820,958	27,413,760	224,638	9,900,221	6,986,429	30,552,190	22,268,768	27,052,934
<b>Sub -Total (a)</b>	2,116,821,554	828,728,610	66,375,198	2,879,174,966	599,792,694	11,290,305	154,609,048	33,312,056	732,379,991	2,146,794,975	1,517,028,860
<b>b LEASED ASSETS :</b>											
Vehicles (Transfer to Vehicles on Completion of Loan)	-	-	-	-	-	-	-	-	-	-	-
<b>Sub -Total (b)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total (a + b)</b>	2,116,821,554	828,728,610	66,375,198	2,879,174,966	599,792,694	11,290,305	154,609,048	33,312,056	732,379,991	2,146,794,975	1,517,028,860
<b>Previous Year</b>	1,752,902,900	410,200,136	46,281,482	2,116,821,554	502,380,475	-	122,470,014	25,057,795	599,792,694	1,517,028,860	1,250,522,425
<b>c Capital Work -in- Progress</b>										76,553,678	52,027,268
										<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>12. Non Current Investments (Unquoted)</b>											
Government securities (Deposited with Government Departments)											
National Savings Certificates										13,000	13,000
<b>Total</b>										<b>13,000</b>	<b>13,000</b>
<b>13. Long Term Loans and Advances</b>											
a. Capital Advances - Unsecured-considered good										80,363,530	70,241,436
b. Security Deposits - Unsecured-considered good										16,444,552	13,575,800
c. Advance Income Tax (including for earlier years)										223,357,372	199,208,751
<b>Total</b>										<b>320,165,454</b>	<b>283,025,987</b>

		As at 31st March, 2015	As at 31st March, 2014
<b>14. Current Investments (Unquoted-Non Trade)</b>			
<b>Investments in Fixed Maturity Plan (FMP)</b>			
<b>Units</b>	<b>Units</b>		
999990.0000	(999990.0000)	ICICI Prudential FMP Series 71-480 Days Plan L Regular Plan Cumulative	9,999,900
1000190.0000	(1000190.0000)	LIC Nomura MF FMP Series 79-373 Days - Growth Plan -L9 -GP	10,001,900
1000090.0000	(1000090.0000)	UTI FMP - Yearly FMP Series-March 2014-YFMP(03/2014)-Growth Plan	10,000,900
2000000.0000	(2000000.0000)	L & T FMP Series -10- PLAN T- Growth	20,000,000
2000000.0000	(2000000.0000)	T 47 CG Tata FMP Series 47 Scheme C -Plan A -Growth -INF277K01ZB9	20,000,000
4000000.0000	(0.0000)	UTI Fixed Income Fund Series - XIX (369 days) - Growth Plan	40,000,000
			-
<b>Investments in Mutual Funds</b>			
<b>Units</b>	<b>Units</b>		
0.0000	(222920.7070)	Reliance Dynamic Bond Fund Dividend Plan	-
0.0000	(399189.6260)	Birla Sun Life cash Manager Daily Dividend - Regular Plan Reinvestment	40,036,055
0.0000	(376164.0950)	UTI Bond Fund - Dividend Plan	4,513,255
0.0000	(348784.8600)	Birla Sun Life Dynamic Bond Fund Ret Qrtly Div.-Payout	4,046,462
996420.1770	(0.0000)	Prudential Saving Fund - Regular Plan - Daily Dividend	100,191,757
14803176.3310	(0.0000)	LIC Nomura MF saving Plus Fund - Daily Dividend plan	150,416,555
5769896.5270	(0.0000)	Reliance Income Fund - Monthly Dividend Plan- Dividend Payout	60,000,000
4997257.5620	(0.0000)	Sundaram Ultra Short Term Fund - Regular Daily Dividend	50,157,474
2905.4100	(0.0000)	ICICI Prudential Liquid Regular Plan - Growth	600,000
72780.1500	(0.0000)	ICICI Prudential Equity Arbitrage Fund - Regular Dividend	1,004,081
49458.1320	(0.0000)	Kotak Equity Arbitrage Fund - Bi Monthly Dividend	999,900
76765.2800	(0.0000)	SBI Arbitrage Opportunities Fund - Regular Plan Dividend	1,005,345
3232.8300	(0.0000)	Birla Sun Life Floating Rate Fund Short term Plan fund	600,000
212.2239	(0.0000)	Kotak Liquid Scheme Plan A - Growth	600,000
18598.8770	(0.0000)	HDFC Balanced Fund - Growth	1,999,900
			-
			477,577,712
			121,598,472
Less : Provision for diminution in the value of Investments			12,921
			295,502
<b>Total</b>			<b>477,564,791</b>
			<b>121,302,970</b>
<b>15. Inventories</b>			
a. Raw Materials and components			142,702,020
b. Stock-in-process			120,386,784
c. Finished goods			32,182,780
d. Stores and spares			24,894,806
			1,001,802,175
			821,664,765
			82,226,963
			78,814,591
<b>Total</b>			<b>1,258,913,938</b>
			<b>1,045,760,946</b>
<b>16. Trade Receivables (Unsecured-Considered Good)</b>			
Outstanding over six months			71,143,483
Others			10,917,547
			1,541,086,601
			1,055,303,729
<b>Total</b>			<b>1,612,230,084</b>
			<b>1,066,221,276</b>
<b>17. Cash and Cash equivalents</b>			
Cash on hand			1,240,383
Balances with banks			1,371,203
Unclaimed Dividend Bank Accounts			115,135,059
Balances with banks held as margin money			123,989,136
Fixed Deposits with Banks & others *			4,910,820
			3,927,028
			15,518,618
			12,330,291
			158,486,307
			165,486,298
<b>Total</b>			<b>295,291,187</b>
			<b>307,103,956</b>
*Bank Deposits maturing after 12 months			85,536
*Fixed Deposits of ` 529 Lacs (` 529 Lacs) are given in security for overdraft facility.			40,000
<b>18. Short-term loans and advances (Unsecured-Considered Good)</b>			
Balances with Customs and Central Excise Authorities			47,559,402
Others*			204,629,837
			28,059,885
			106,541,321
<b>Total</b>			<b>252,189,239</b>
			<b>134,601,206</b>
* Includes advances to sundry creditors, employees and tax credits available.			
<b>19. Other current assets</b>			
Interest accrued and receivable			2,573,966
Miscellaneous Expenditure (Not written off)			80,550
			4,825,648
			161,100
<b>Total</b>			<b>2,654,516</b>
			<b>4,986,748</b>



	2014-15	2013-14
<b>20. Revenue from Operations</b>		
Sale of products	8,579,948,789	6,962,468,397
Less : Excise duty	363,271,729	325,544,617
<b>Total</b>	<b>8,216,677,060</b>	<b>6,636,923,780</b>
<u>Particulars of Sale of Products</u>		
Vitreous China Sanitaryware, Faucetware, Fittings, Tiles & Allied products	8,575,964,229	6,958,428,155
Others	3,984,560	4,040,242
<b>Total</b>	<b>8,579,948,789</b>	<b>6,962,468,397</b>
<b>21. Other Income</b>		
Interest Income	13,816,145	25,487,863
Dividend Income	1,449,191	713,085
Net gain on sale of Investments	64,427	143,443
Export Incentive	965,257	673,126
Claims Received	27,203,766	20,237,264
Miscellaneous Income	10,340,201	4,673,035
Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (net)	12,031,709	9,593,671
<b>Total</b>	<b>65,870,696</b>	<b>61,521,487</b>
<b>22. Cost of Materials Consumed</b>		
Opening Stock	120,386,784	137,318,169
Add : Purchases (Net of Transfers)	731,022,629	632,209,040
	851,409,413	769,527,209
Less : Closing Stock	142,702,020	120,386,784
<b>Total</b>	<b>708,707,393</b>	<b>649,140,425</b>
<u>Particulars of Cost of Materials Consumed</u>		
Sand, Sandstone, Clays & Chemicals	323,310,474	299,170,022
Accessories & Fittings	19,660,403	14,187,244
Brass ingots and components	365,736,516	335,783,159
<b>Total</b>	<b>708,707,393</b>	<b>649,140,425</b>
<b>23. Purchases</b>		
Purchases	3,321,574,229	2,519,579,395
<b>Total</b>	<b>3,321,574,229</b>	<b>2,519,579,395</b>
<u>Particulars of Purchase of Products</u>		
Vitreous China Sanitaryware, Faucetware, Fittings, Tiles & Allied products	3,321,574,229	2,519,579,395
<b>24. (Increase) / Decrease in Finished Goods and Stock-in-Process</b>		
<b>Stock at Commencement</b>		
Finished Goods	821,664,765	715,289,914
Stock-in-Process	24,894,806	17,432,434
	846,559,571	732,722,348
<b>Stock at Close</b>		
Finished Goods	1,001,802,175	821,664,765
Stock-in-Process	32,182,780	24,894,806
	1,033,984,955	846,559,571
<b>Total</b>	<b>(187,425,384)</b>	<b>(113,837,223)</b>
<b>25. Employees Benefit Expenses</b>		
Salaries, Wages and Bonus	809,969,993	657,332,964
Contributions to Provident and other Funds	67,393,695	54,787,892
Staff and Labour Welfare Expenses	40,001,250	31,368,659
<b>Total</b>	<b>917,364,938</b>	<b>743,489,515</b>

	2014-15	2013-14
<b>26. Finance Costs</b>		
<b>Interest Expenses</b>		
Interest on term loans	15,421,144	20,699,853
Interest others	60,376,028	42,215,121
Other borrowing costs	1,491,257	1,501,504
<b>Total</b>	<b>77,288,429</b>	<b>64,416,478</b>
<b>27. Other Expenses</b>		
Stores, Spares, Chemicals and Packing Materials Consumed	294,123,247	271,170,685
Excise Duty (Net of Opening Provision)	21,282,065	13,673,537
Rent	44,716,725	34,961,137
Power and Fuel consumed	341,575,360	313,755,595
Repairs - Plant and Machinery	11,708,424	11,384,943
Repairs - Building	6,862,000	2,777,327
Repairs - Others	8,187,346	6,198,404
Insurance	9,101,805	8,451,101
Rates and Taxes	2,441,774	1,370,470
Freight and Forwarding Expenses (Net)	354,501,203	314,475,270
Brokerage, Commission and Discounts on Sales	537,900,497	400,742,365
Publicity & Advertisement Expenses	331,438,982	270,344,370
Research & Development Expenses	10,174,611	8,662,121
Bad Debts / Amount written off	3,404,364	2,911,900
Miscellaneous Expenses	282,226,012	224,659,915
Loss on Sale / Discard of Fixed Assets (Net)	11,520,853	1,469,343
Provision for dimunition in the value of Investments	12,921	256,202
Donation	66,000	727,000
Corporate Social Responsibility	8,722,653	-
Director's Commission	1,200,000	1,200,000
<b>Total</b>	<b>2,281,166,842</b>	<b>1,889,191,685</b>

	2014-15	2013-14
<b>28. Basic &amp; Diluted EPS</b>		
<b>Basic &amp; Diluted Earning per share</b>		
Profit attributable to the shareholders (₹)	A      676,645,090	519,056,165
Weighted average number of Equity shares outstanding during the year	B      12,680,838	12,654,874
Nominal Value of Equity share (₹)	5.00	5.00
Basic Earning per share (F.V. ₹ 5/- per share) (₹)	A/B     53.36	41.02
<b>Number of shares for Basic &amp; Dilutive EPS</b>		
Weighted average no. of Equity shares outstg. during the year for Basic EPS	12,680,838	12,654,874
Add: Dilutive potential Equity shares	-	-
Weighted average no. of Equity shares outstg. during the year for Dilutive EPS	12,680,838	12,654,874
<b>29. Payments to the Auditors</b>	<b>2014-15 (₹)</b>	<b>2013-14 (₹)</b>
a. As Auditors	300,000	270,000
b. For Taxation matters	220,000	260,000
c. For Other services	80,000	90,750
d. For Reimbursement of expenses	45,720	49,863
<b>Total</b>	<b>645,720</b>	<b>670,613</b>

**30. Transfer of Ceramic Division from Madhusudan Industries Limited (MIL)**

The Honourable High Court of Judicature at Gujarat vide its order dated 30.10.2001 has sanctioned the Scheme of Arrangement (the Scheme) U/s. 391-394 of the Companies Act, 1956 between Madhusudan Industries Limited ("MIL") and the Company under which all the assets, liabilities and debts of the Ceramic Division as defined in the Scheme ("the Undertaking") of "MIL" comprising of Ceramic Division have been transferred to the Company at net book value with effect from 01.04.2001.

The Name of the Company had been changed from Madhusudan Oils And Fats Limited to Cera Sanitaryware Limited with effect from 01-11-2002 consequent upon the fresh certificate of Incorporation, issued by the Registrar of Companies, Gujarat State, Ahmedabad.

### 31. Value of Imports on C.I.F. Basis

	2014-15 (₹)	2013-14 (₹)
1. Raw Materials and Chemicals	78,015,069	33,516,934
2. Stores and Spare Parts & Fittings	31,805,628	25,583,055
3. Capital Goods	73,699,373	189,893
4. Purchases	637,060,772	630,394,512
<b>Total</b>	<b>820,580,842</b>	<b>689,684,394</b>

### 32. Value of Raw Materials, Stores & Spare Parts Consumed

	2014-15	
	Raw Materials (₹)	%
1. Imported	58,465,585 (58,604,590)	8.25% (9.03%)
2. Indigenous	650,241,807 (590,535,835)	91.75% (90.97%)
<b>Stores &amp; Spare Parts</b>		
	(₹)	%
1. Imported	11,428,116 (10,825,152)	12.93% (14.06%)
2. Indigenous	76,990,572 (66,147,832)	87.07% (85.94%)

	2014-15 (₹)	2013-14 (₹)
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### 33. Expenditure in Foreign Currencies on account of

1. Travelling	5,212,142	4,304,566
2. Export Commission	998,413	759,685
3. Interest/Bank Charges	353,700	313,501
4. Technical know-how & Professional fees	2,837,727	3,719,582
5. Others	21,801	1,551,107

### 34. Earnings in Foreign Exchange

Exports of Goods on F.O.B Basis	63,660,207	46,802,351
---------------------------------	------------	------------

### 35. Contingent liability in respect of :

	As on 31-03-2015 (₹)	As on 31-03-2014 (₹)
a. Claims against the Company not acknowledged as debts (Net of Payments).	17,582,820	5,211,780
b. Estimated amount of contracts remaining to be executed on capital account not provided for (Net).	85,495,458	52,280,444
c. Letters of Credit opened and guarantees given by the Bank in favour of Parties and Government.	75,921,485	78,097,241

36. The company is receiving balance confirmations from various parties. Due adjustments will be made on receipt thereof, if necessary.

37. Pursuant to the enactment of the Companies Act, 2013 (the Act), the Company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Act, applicable for accounting period commencing April 01, 2014. Accordingly, depreciation of ₹ 0.74 Cr. (net of deferred tax of ₹ 0.38 Cr.) for the assets whose useful life is already exhausted as on April 01, 2014, has been adjusted against Retained Earnings.

38. Pursuant to the enactment of the Companies Act, 2013 (the Act), the company is required u/s 135 of the Act, to spend at least 2% of the average net profits of the Company in three immediately preceding financial years. The Company is required to spend ₹ 143.36 Lacs during the year. The Company is to undertake and carry out Corporate Social Responsibility (CSR) activity through "Cera Foundation". The Company has spent ₹ 0.87 Cr. towards CSR Activities during the year (including ₹ 0.66 Cr. given to Cera Foundation)

### 39. Employee Benefits

The Company in pursuance to Accounting Standard 15, Employee Benefits (revised 2005) [the revised AS 15], notified under sub-section (3C) of section 211 of the Companies Act, 1956 obtained actuarial reports and based on these reports, following disclosures have been made in the financial statements for the year ended 31<sup>st</sup> March, 2015.

**1) Brief description of the plans :**

The Company has various schemes for long-term benefits such as Provident Fund, Gratuity and Leave Encashment. In case of funded schemes, the funds are recognised by income tax authorities and administered through trustees/appropriate authorities. The Company's defined contribution plans are Provident Fund (exempted employees) recognised by the Income Tax Authorities and administered through trustees. The company has no further obligation beyond making contributions and interest shortfall. Further the pattern of investment for investible funds is as prescribed by the Government. Accordingly other related disclosures in respect of Provident Fund have not been made.

The Company's contribution plans are Provident Fund (non exempted employees), Employees' pension scheme (under the Provisions of the employees' Provident Funds and Miscellaneous Provisions Act, 1952), state plans namely Employee's State Insurance Fund. The company has no further obligation beyond making contributions.

The Company's defined benefit plans also include Gratuity and leave Encashment for all its employees. Gratuity fund recognised by the Income Tax Authorities is administered through trustees. Liability for Defined Benefit Plan is provided on the basis of valuations, as at Balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

**2) Charge to the Profit and Loss Account based on contributions:**

	2014-15 (` in Lacs)	2013-14 (` in Lacs)
Provident fund	175.91	158.45
Employees' Pension Scheme	152.41	118.53
ESIC	106.33	89.37
<b>Total</b>	<b>434.65</b>	<b>366.35</b>

**3) Disclosures for defined benefit plans based on actuarial reports as on 31<sup>st</sup> March, 2015**

Particulars	2014-15		2013-14	
	Gratuity Funded Plan (`)	Leave Encashment Non-funded Plan (`)	Gratuity Funded Plan (`)	Leave Encashment Non-funded Plan (`)
<b>Change in Defined Benefits Obligation</b>				
Opening defined benefits obligation	90,663,719	41,888,071	70,941,240	31,820,191
Current service cost	9,752,111	6,154,653	8,215,944	4,820,871
Interest cost	7,026,438	3,246,326	6,384,712	2,863,817
Actuarial loss / (gain)	12,571,751	10,942,217	8,172,805	7,879,771
Benefits paid	(12,031,465)	(11,165,984)	(3,050,982)	(5,496,579)
Closing defined benefits obligation	107,982,554	51,065,283	90,663,719	41,888,071
<b>Change in Fair value of Assets</b>				
Opening fair value of plan assets	90,672,224		71,195,520	
Expected return on plan assets	7,671,750		7,284,048	
Actuarial gain / (loss)	(694,520)		(2,117,344)	
Contributions by employer	21,690,427		17,360,982	
Benefits paid	(12,031,465)		(3,050,982)	
Closing fair value of plan assets	107,308,416		90,672,224	
<b>Movement in net liability recognized in Balance Sheet</b>				
Net opening liability	(8,505)	41,888,071	(254,280)	31,820,191
P & L Charge	22,373,070	20,343,196	17,606,757	15,564,459
Contribution Paid	(21,690,427)	(11,165,984)	(17,360,982)	(5,496,579)
Closing Net (asset) / liability	674,138	51,065,283	(8,505)	41,888,071
<b>Expenses recognized in the Profit and Loss Account</b>				
Current Service cost	9,752,111	6,154,653	8,215,944	4,820,871
Interest on defined benefit obligation	7,026,438	3,246,326	6,384,712	2,863,817
Expected return on plan assets	(7,671,750)	-	(7,284,048)	-
Net actuarial loss / (gain) recognized in the current year	13,266,271	10,942,217	10,290,149	7,879,771
Total Expenses	22,373,070	20,343,196	17,606,757	15,564,459

Particulars	2014-15		2013-14	
	Gratuity Funded Plan (`)	Leave Encashment Non-funded Plan (`)	Gratuity Funded Plan (`)	Leave Encashment Non-funded Plan (`)
<b>Assets Information</b>				
Government of India Securities	35.85%		34.96%	
Corporate Bonds	52.85%		49.33%	
Special Deposits Scheme	0.95%		-	
Others/ Insurance Co.	10.35%		15.71%	
<b>Principal actuarial assumption</b>				
Discount Rate (p.a)	7.75%	7.75%	9.00%	9.00%
Expected rate of return on plan assets (p.a)	7.75%		9.00%	
Annual Increase in Salary costs	5.50%	5.50%	6.75%	6.75%
Effect on the aggregate Service Cost & interest cost	-		-	
Effect on defined benefit obligation	-		-	

(4) The Company has provided upto 31.03.2015 ` 510.65 Lacs (` 418.88 Lacs) being increment of discounted value of liability for unavailed leave of the employees determined as per Actuarial Valuation.

40. A) **Details of Related party transactions during the year ended 31st March, 2015.**

Type of Transaction	Associates (`)	Key Management Personnel (`)	Relatives of Key Management Personnel (`)	Total (`)
<b>Sales</b> - Goods & Materials	2,483 (-)			2,483 (-)
<b>Expenses</b> - Remuneration	- (-)	93,268,872 (53,909,221)	3,447,480 (3,270,022)	96,716,352 (57,179,243)
Lease Rent/Rent	8,545,835 (7,863,357)		- (335,500)	8,545,835 (8,198,857)
Other Services	3,299,748 (2,489,172)	1,200,000 (2,576,792)	- (36,000)	4,499,748 (5,101,964)
Interest Paid	- (88,719)			- (88,719)
Donation/Other Expenses	6,650,000 (335,000)			6,650,000 (335,000)
<b>Finance</b> - Fixed Deposit / IC Loan Recd - Repaid	- (2,735,000)			- (2,735,000)
Rent Deposit paid	115,200 (126,800)			115,200 (126,800)
<b>Balance at the end of the year</b>				
Rent Deposit	1,946,000 (1,830,800)		- (75,000)	1,946,000 (1,905,800)

**B) Names of related parties and description of relationship :**

1.	Fellow subsidiaries	—	
2.	Associates	Madhusudan Industries Ltd. Cera Foundation Madhusudan Holdings Ltd. Indian Council of Sanitaryware Manufactures.	Madhusudan Fiscal Ltd. Vikram Investment Co. Ltd. Swadeshi Fan Ind. Ltd.
3.	Key Management Personnel	Vikram Somany S. C. Kothari Ashok Chhajed Govind Bhai Patel Narendra N. Patel Deepshikha Khaitan	Atul Sanghvi Dr.K.N.Maiti Rajesh B. Shah Lalit Kumar Bohania Sajan Kumar Pasari
4.	Relatives of Key Management Personnel	Smiti Somany	Pooja Jain Somany

**C) Disclosure in respect of transactions with related parties during the year :**

Particulars	2014-15 ( ` )	2013-14 ( ` )
<b>Sales : Goods &amp; Materials</b>	<b>2,483</b>	-
<b>Expenses</b>		
Lease Rent / Rent Madhusudan Industries Ltd.	<b>8,545,835</b>	7,863,357
Other Services Madhusudan Industries Ltd. Swadeshi Fan Industries Ltd. Indian Council of Sanitaryware Manufactures	<b>1,746,388</b> <b>215,860</b> <b>1,337,500</b>	2,306,582 182,590 -
Interest Paid Madhusudan Fiscal Ltd.	-	88,719
Donation Cera Foundation	<b>6,650,000</b>	335,000
<b>Finance</b>		
Fixed Deposit / ICD Received - Repaid Madhusudan Fiscal Ltd.	-	2,735,000
Rent Deposit Paid Madhusudan Industries Ltd.	<b>115,200</b>	126,800

**41. Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.**

As per our report of even date attached

For and on behalf of

**H. V. Vasa & Co.**

Firm Registration No. : 131054W

Chartered Accountants

**Tushar H. Vasa**

Proprietor

Membership No. 16831

Place : Ahmedabad

Date : 23rd April, 2015

**Rajesh B. Shah**  
C F O & C O O (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary

<b>Vikram Somany</b>	Chairman and Managing Director
<b>Ashok Chhajed</b>	Director
<b>Dr. K. N. Maiti</b>	Director
<b>Govindbhai P. Patel</b>	Director
<b>Deepshikha Khaitan</b>	Director
<b>Atul Sanghvi</b>	Executive Director

**Annexure - I : Significant accounting policies and practices :****(Annexed to and forming part of the financial statements for the year ended 31<sup>st</sup> March, 2015)****\* Basis of Accounting**

The Company prepares its financial statements under the historical cost convention, on an accrual basis of accounting, to comply in all material respects with the notified Accounting Standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. In Pursuant to transitional provision with respect to accounting standard u/s 133 of the Companies Act, 2013.

**\* Sales**

Sales include excise duty and net of discounts and Vat.

**\* Employee Benefits**

(i) Provident Fund is a defined contribution scheme and it is charged to revenue for the year when due.

(ii) Contribution to approved Gratuity Fund is made of the present liability for future Gratuity as determined on an actuarial valuation. The Company has no further obligation except contribution to the fund.

(iii) Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year.

**\* Fixed Assets, Depreciation and Amortization**

(a) Fixed Assets transferred on demerger scheme are stated at cost-less accumulated depreciation. Acquisitions and additions are stated at cost. The Company capitalizes all costs relating to the acquisition and installation of Fixed Assets on net of MODVAT credits on the assets and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

(b) Capital work in progress :

Projects under commissioning and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(c) Assets acquired under hire purchase instalment credit scheme, the cost of asset is capitalized while the annual financial charges at equated instalments are charged to revenue.

(d) Depreciation for the year has been provided on carrying cost at the rates and manner prescribed in Schedule II of the Companies Act, 2013 as under:

(1) On Plant & Machinery and Electric Plant & Installation on straight-line method, but on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets and depreciation is provided as aforesaid over the residual life of the respective assets.

(2) On other assets on written down value method on the remaining life of the respective assets.

(e) Leasehold land is amortized over the period of lease.

(f) The value of discarded Plant and Machinery has been written down to the lower of net book value and net realizable value.

**\* Inventories**

(a) Raw-materials, Packing Materials, Stores and Chemicals are taken at lower of cost and net realizable value following FIFO method.

(b) Stock-in-Process is valued at lower of cost and net realizable value.

(c) Finished goods are valued at lower of cost and net realizable value.

(d) Excise duty on goods manufactured by the Company and remaining in inventory is included as a part of valuation of finished goods.

**\* Investments**

Non-Current Investments are stated at cost. Current investments are carried at lower of cost and fair value. Provision for diminution in the value of non current investments is made only, if such a decline is other than temporary in the opinion of the management.

**\* Foreign Currency Transactions**

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies as at the end of the year is recognised in the profit and loss account. Accounts Receivable in foreign currency are either represented by bills of exchange, which in many cases, are immediately discounted with bankers, or accounted at realized amounts. Exchange differences arising in respect of fixed assets acquired from outside India were capitalised as part of fixed assets.

Derivative transactions are considered as off-balance sheet items and cash flows arising therefrom are recognised in the books of account as and when the settlements take place in accordance with the terms of the respective contracts over the tenor thereof.

**\* Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of assets are capitalized as part of the cost of such assets.

**\* Taxation**

Provision for tax for the year comprises current Income-tax and Wealth-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s).

**\* Earning per Share**

The earnings considered in ascertaining the company's Earnings per Share (EPS) comprise the net profit after tax. The number of shares used in computing Basic EPS is the Weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity shares.

**\* Impairment of Assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' net selling price and its value in use.

**\* Contingent Liability**

Contingent liabilities determined on the basis of available information; wherever material are provided for and Contingent liabilities not provided for in the accounts are disclosed by way of notes to the accounts.

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# CERA

## Cera Sanitaryware Limited

Regd. Office : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.  
 www.cera-india.com; Phone : (02764) 242329, 262619, 262638; Fax : (02764) 242465;  
 E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

DP ID	Client ID	Folio No.	No. of shares held

### ATTENDANCE SLIP

Annual General Meeting - 2015

at Regd. Office : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.

Name of the attending Member/Proxy (In block letters) :

I hereby record my presence at the Annual General Meeting held at 11.30 a.m. on 30th July, 2015.

\_\_\_\_\_  
Member's / Proxy's Signature

- Notes : 1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.  
 2. Members are requested to bring copy of Annual Report with them.

# CERA

## Cera Sanitaryware Limited

Regd. Office : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.  
 www.cera-india.com; Phone : (02764) 242329, 262619, 262638; Fax : (02764) 242465;  
 E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

### PROXY FORM

Name of the member(s) : \_\_\_\_\_  
 Registered address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Folio No. / Client Id : \_\_\_\_\_  
 DP Id : \_\_\_\_\_

I/We, being a member(s) of \_\_\_\_\_ shares of Cera Sanitaryware Limited, hereby appoint :

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Signature \_\_\_\_\_, or failing him
  
2. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Signature \_\_\_\_\_, or failing him
  
3. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Thursday, the 30<sup>th</sup> July, 2015 at 11.30 a.m. at the registered office of the Company at 9, GIDC Industrial Estate, Kadi-382715, Dist. Mehsana, and at any adjournment thereof in respect of such resolutions as are indicated below:

PTO

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<b>Resolution:</b>	For	Against
1. To consider and adopt Audited Financial Statements, Reports of Board of Directors and Auditors.		
2. Declaration of dividend on Equity Shares		
3. Reappointment of Dr. K.N. Maiti as Director, who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Approval of the remuneration of the Cost Auditors.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Affix Revenue Stamp
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Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





# CERA

Cera Sanitaryware Limited

CIN : L26910GJ1998PLC034400

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