

**ANNUAL REPORT**  
**2015-16**

**Vision that Sustains**  
**Value**



**CERA**  
CERA Sanitaryware Limited

**CERA**  
better expressed as...



**C**LASSY • Admirably Skilful and Graceful

**E**XQUISITE • Pleasing Through Beauty and Perfection

**R**ITZY • Ostentatiously Fancy and Stylish

**A**WESOME • Inspiring Feelings of Wonder and Awe



**Present Board of Directors**

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Vice Chairperson (Non-Executive)
Shri Sajan Kumar Pasari	
Dr. K. N. Maiti	
Shri Lalit Kumar Bohania	
Shri Govindbhai P. Patel	
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

**Sales & 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. Kutch, 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 Friday,  
the 29<sup>th</sup> day of July, 2016 at the Registered Office.**

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Friday, the 29<sup>th</sup> day of July, 2016 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, 2016 including statement of Audited Profit and Loss and Cashflow Statement for the year ended 31<sup>st</sup> March, 2016, 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 Smt. Deepshikha Khaitan (DIN – 03365068), who retires by rotation and being eligible, offers herself 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(s), the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment 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, 2017, be paid the remuneration of ₹ 60,000/- 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.”

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules, if any and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, consents or permissions of any authority as may be necessary, approval of the members of the Company be and is hereby accorded to the Audit Committee and/or the Board of Directors to authorize the management of the Company to enter into Agreement / transaction(s) as may be appropriate, with Anjani Tiles Limited (Subsidiary Company), being related party as defined under Section 2(76) of the Companies Act, 2013, for purchase of goods, materials and job work, if any, on such terms and conditions as may be mutually agreed upon between the

Company and Anjani Tiles Limited (Subsidiary Company) for an amount not exceeding in aggregate ₹ 150 Crore (Rupees One Hundred and Fifty Crore only) in each financial year for two years.

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 or expedient to give effect to this resolution.”

7. 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 188 of the Companies Act, 2013 (“the Act”). The Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules, if any and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, consents or permissions of any authority as may be necessary, approval of the members of the Company be and is hereby accorded to the Audit Committee and/or the Board of Directors to authorize the management of the Company for the retaining of the services of Dr. Kedar Nath Maiti, who is a related party u/s 2(76) of the Companies Act, 2013 also a ceramic scientist and is a director on the Board of Directors of the Company to hold office or place of profit in the company at fees in the range of ₹ 4,00,000/- - ₹ 6,25,000/- per month over a period of 5 years upto 31.03.2021, for rendering from time to time such advice and services as he may give in his capacity as a ceramic scientist.

RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Chairman and Managing Director and / or Chief Executive Officer and / or Executive Director at their discretion, to decide the remuneration within the above range as may be deemed fit and proper.

Regd. Office :  
9, GIDC Industrial Estate,  
Kadi – 382 715  
3<sup>rd</sup> May, 2016  
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 HIMSELF 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 (10%) 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 16.07.2016 to 22.07.2016 (both days inclusive).

4. The Board of Directors has recommended a dividend of ₹ 9/- (180%) per fully paid equity share of ₹ 5/- each for the year ended 31.03.2016.
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 2007-08 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 2008-09 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 2015-16 along with notice of the AGM, Attendance Slip, Proxy Form and 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 18th 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 26<sup>th</sup> July, 2016 (10:00 a.m.) and ends on 28<sup>th</sup> July, 2016 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> July, 2016 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 22<sup>nd</sup> July, 2016.
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 scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote 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 scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
21. The Results will be declared on receipt of Scrutinizer's Report. 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	Smt. Deepshikha Khaitan
Date of Birth	17.03.1975
Date of Appointment	29.03.2014
Expertise in Specific Functional Areas	Legal Matters and Management
List of other Directorships	Capital Publishing Pvt. Ltd. Star Agrochem Pvt. Ltd. Indian Council of Sanitaryware Manufactures
Chairman / Member of the Committees of the Board of other Companies	—
Shareholding in the Company	39,116 Shares

**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, 2017.

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, 2017.

The Board of Directors recommends the ordinary resolution as per item No. 5 of the accompanying notice for approval of the members of the Company.

None of the Directors, any other Key Managerial Person(s) of the company and their relatives are, in any way concerned or interested in the said resolution.

**Item No. 6**

The Company is inter-alia, engaged in the business of Manufacturing, marketing and distribution of Sanitaryware, Faucetware and trading in tiles and other bath room products. The Company in the ordinary course of its business is entering into transactions relating to Purchase of goods, materials and Job work including tiles from various parties. Anjani Tiles Limited (Subsidiary Company) is Related Party within the meaning of Section 2(76) of the Companies Act, 2013 and Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Anjani Tiles Limited commenced commercial production w.e.f. 01-04-2016. The Company has entered into agreement with Anjani Tiles Limited for purchase of its entire production of Tiles.

The transactions with the aforesaid related party are entered into in the ordinary course of business and on arm's length price. However, for abundant caution and as a good corporate practice, your directors thought it fit to get the approval of members.

Details of proposed transactions relating to purchase of tiles from Anjani Tiles Limited for period of two years with effect from 01-04-2016 will be on following terms and conditions:

The particulars of the contracts /arrangements / transactions are as under:

Name of the Related Party	Anjani Tiles Limited
Name of Director(s) or KMPs who is/are related	Shri S. C. Kothari Shri Atul Sanghvi Shri Rajesh B. Shah
Nature of Relationship	Subsidiary Company
Nature of contracts/ arrangements/transactions	Purchase of goods, materials and job work
Material terms of the contracts/ arrangements/ transactions.	At prevailing prices on arm's length basis and On Industry practice terms.
Monetary Value	Up to ₹ 150 Crores in each financial year.
Any other information relevant or important for the members to make a decision on the proposed transactions	None

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 6 of the notice for approval of related party transactions.

The Board of Directors recommends the ordinary resolution as per item No. 6 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.

**Item No. 7**

Dr. Kedar Nath Maiti, M.Tech, Ph.D, FIMMM, Chartered Scientist (UK) is a well known ceramic scientist having rich experience in ceramic industry due to his long tenure in Central Glass and Ceramic Research Institute (CGCRI). His extraordinary acumen and scientific attitude is very helpful to the Company. He is assisting the R&D department for development of a new body and glazes to meet the international standards in sanitaryware industry as well as to reduce the cost of production. After great persuasion, he consented to continue to make his services available to the Company. He has been working on the said assignment since May 2007. He has undertaken trial of more than 50 formulations at R&D level and has been successful in some areas and still working relentlessly on the said project. He will also undertake other projects after completion of present assignment.

The Central Government in its letter No. SRN/A-59204081 – CL-VII dated 09.07.2009 has expressed the opinion under provision to Sub - Section (1) of Section 309 of the Companies Act, 1956 that Dr. Kedar Nath Maiti has the requisite qualification for rendering professional services to the Company. Members at their Annual General Meeting held on 11.07.2013, approved his appointment at remuneration up to ₹ 4,50,000/- p.m. over a period of 5 years up to 31.03.2019. Pursuant to the provisions of Sec. 197 of the Companies Act, 2013, Nomination and Remuneration Committee at its meeting held on 11.07.2014 opined that Dr. Kedar Nath Maiti possesses requisite qualification for the practice as ceramic scientist and approved the payment of remuneration as stated above. Dr. Kedar Nath Maiti is related party within the meaning of section 2(76) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Presently he is working at a remuneration of ₹ 3,00,000/- per month. It is proposed to increase his remuneration upto ₹ 6,25,000/- per month over a period of 5 years upto 31.03.2021,

depending upon his valuable and expert services, results attained by him and its impact on overall efficiency and performance of the Company.

Details of proposed transaction related to holding of office or place of profit by Dr. Kedar Nath Maiti for a period of 5 years w.e.f. 01.04.2016 will be on following terms and conditions:

The particulars of the arrangements / transactions are as under:

Name of the Related Party	Dr. Kedar Nath Maiti
Name of Director(s) or KMP who is/are related	Dr. Kedar Nath Maiti
Nature of Relationship	Holding office or place of profit by related party
Nature of contracts/ arrangements/transactions	Retaining Professional services as Ceramic Scientist
Material terms of the contracts/arrangements/ transactions	At prevailing prices on arm's length basis and on industry practice terms.
Monetary Value	Payment of monthly remuneration upto ₹ 6,25,000/- over a period of 5 years upto 31.03.2021
Any other information relevant or important for the members to make a decision on the proposed transaction	None

Letter received from the Central Government dated 09.07.2009 is available for inspection 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.

Accordingly, consent of the members is sought by passing an ordinary resolution as set out at item no. 7 of the notice for increase in the remuneration payable to Dr. Kedar Nath Maiti, as related party transaction.

The Board of Directors recommends the ordinary resolution as per item no. 7 of the accompanying notice for approval of the members of the Company.

Except, Dr. Kedar Nath Maiti, 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 : By Order of the Board of Directors  
9, GIDC Industrial Estate,  
Kadi – 382 715  
3<sup>rd</sup> May, 2016  
CIN : L26910GJ1998PLC034400

**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 26<sup>th</sup> July, 2016 (10:00 a.m.) and ends on 28<sup>th</sup> July, 2016 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> July, 2016, 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
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	- 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.
	- 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.
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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. - 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).

- (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 Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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 e-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.
- (xx) 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, 2016.

**Performance**

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

	(₹ in lacs)	
	Year ended <u>March 31, 2016</u>	Year ended <u>March 31, 2015</u>
Profit before Depreciation and Taxes & Exceptional item	<b>14578.40</b>	11638.71
Deducting there from Depreciation of	<b>1631.98</b>	1546.09
Profit before Tax	<b>12946.42</b>	10092.62
Deducting there from taxes of:		
- Current Year	<b>3943.12</b>	2525.25
- Deferred Tax	<b>656.88</b>	800.92
Profit after Tax	<b>8346.42</b>	6766.45
Add: Balance brought forward from previous year	<b>5000.00</b>	3000.00
Amount available for Appropriations	<b><u>13346.42</u></b>	<u>9766.45</u>
The proposed appropriations are:		
1. Proposed Dividend	<b>1170.53</b>	812.87
2. Tax on Proposed Dividend	<b>244.67</b>	165.48
3. General Reserve	<b>3931.22</b>	3788.10
4. Balance carried forward	<b>8000.00</b>	5000.00
<b>Total</b>	<b><u>13346.42</u></b>	<u>9766.45</u>

**Transfer to Reserves**

The Company has transferred a sum of ₹ 3931.22 Lacs to General Reserve in the current year (previous year ₹ 3788.10 Lacs).

**Highlights / Performance of the Company**

Turnover of the Company for the year increased by 13.63% to ₹ 933.69 Cr. as compared to ₹ 821.67 Cr. previous year.

Profit before tax for the year increased by 28.26% to ₹ 129.46 Cr. as compared to ₹ 100.93 Cr. previous year.

Profit after tax for the year increased by 23.35% to ₹ 83.46 Cr. as compared to ₹ 67.66 Cr. previous year.

The Directors are pleased to inform you that your Company has continued to grow despite adverse market conditions in 2015-16 due to its customer loyalty, 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**

During the year the plant had run at its optimum capacity. The focus of your Company now is on premiumisation by producing more of high value items now onwards, thus maximizing its optimum capacity.

**Faucetsware Unit**

The new ranges and designs of Faucets have been well accepted by the market. The expansion plan of the Company has been attained in the year. Owing to this success, the Company has plans for premiumisation by producing more of high value items.

**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.

**Joint Ventures**

Your Company has entered into a Joint Venture with Anjani Tiles Limited at Andhra Pradesh with 51% Equity and 55.92% Preference Share holding amounting to ₹ 19.64 Cr. for producing Vitrified Floor Tiles of 10,000 Sq. Mtr. per day having total project cost of ₹ 68 Cr. The commercial production of tiles from this plant has started from 1<sup>st</sup> April, 2016.

**Green Energy Unit**

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

The installed capacity of Non-conventional Energy unit of the Company now stands at 12.825 M.W.

The non-conventional Wind and Solar Power has produced 2,03,37,139 KWH for captive use against 1,03,61,993 KWH in the previous year.

**Packaging Unit**

Your Company is also proposing to enter into Joint Venture for packaging unit for manufacture of corrugated boxes with an equity of 51%. The total project outlay will be ₹ 2.70 Cr.

**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 operating the plant. 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 is electricity supplied by local Discom. To compensate within the energy consumption by way 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.

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

The information on technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as a separate Annexure-I.

#### **Subsidiary Company**

The Company has one Subsidiary company namely Anjani Tiles Limited which became subsidiary of the company w.e.f. 23<sup>rd</sup> November, 2015. It has started commercial production from 1<sup>st</sup> April, 2016. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiary.

Those Shareholders who are interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company.

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC - 1, which is attached herewith as a separate Annexure - II.

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

All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section - 188 of the Act.

There were 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 i.e. www.cera-india.com.

The particulars of contracts or arrangements with related parties as per Section 188(1) of the Companies Act, 2013, including arm's length transactions as per Form No.AOC-2 are enclosed as separate Annexure – III.

#### **Corporate Social Responsibility**

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website i.e. www.cera-india.com

As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year.

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

#### **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, 2016 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.

#### **Managerial Remuneration and Employees**

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

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

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

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

#### **Corporate Governance and Management Discussion and Analysis**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance along with the Auditors' statement on its compliance and Management discussion and Analysis have been included in this Annual Report as per separate Annexure -VIII and Annexure-A respectively.

#### **Number of Meetings of the Board**

The Board of Directors, during the financial year 2015-16 duly met 5 times on 23.04.2015, 11.06.2015, 15.07.2015, 23.10.2015 and 02.02.2016 in respect of which meetings, proper notices were given

and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

#### Extract of Annual Return

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

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

The loans if any, made by the Company are within the limits prescribed u/s 186 of the Companies Act, 2013 and no guarantee or security is provided by the Company.

Details of Investments covered u/s 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### Risk Management Policy

The Board has approved and implemented risk management Policy of the Company including identification and element of risks.

The Risk Management is overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details please refer to the Management Discussion and Analysis enclosed as separate Annexure - A to this report.

#### Audit Committee

The Company has constituted Audit Committee. For details please refer Corporate Governance Report attached as a separate Annexure- VIII.

#### Internal Control System and its adequacy

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

#### Dividend

Your Directors recommend a dividend of ₹ 9.00/- per share (180%) (Previous year ₹ 6.25/- per share) (125%) on 1,30,05,874 equity shares of ₹ 5/- each fully paid for the year ended 31.03.2016, 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 2007-08 were transferred to the Investor Education and Protection Fund.

#### Share Capital

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹ 650.29 lacs. During the year under review the Company has not issued any equity shares. As on 31<sup>st</sup> March, 2016 the Share Capital was ₹ 650.29 lacs.

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

#### Exchequer

The Company has contributed ₹ 142.40 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 Deposit matured and remaining unclaimed with the Company as on 31<sup>st</sup> March, 2016 was ₹ 1.34 lacs.

The Company has not accepted fixed deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There have been no default in repayment of deposits or payment of interest thereon during the year.

#### Finance

During the year under review, the Company repaid loans of ₹ 890.30 Lacs to Financial Institutions and Banks.

#### Directors

Members at the Annual General Meeting held on 22-08-2014 have appointed Shri Ashok Chhajed, Shri Sajan Kumar Pasari, Shri Govindbhai P. Patel and Shri Lalit Kumar 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).

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.

Smt. Deepshikha Khaitan is due to retire at the end of the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Brief resume of Smt. Deepshikha Khaitan as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening the Annual General Meeting of the Company. Shri Ashok Chhajed ceased to be a director of the company w.e.f. 23.04.2016 on his resignation.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule - IV of the Act and SEBI (LODR) Regulations, 2015, the Board has carried the evaluation of its own performance, Individual Directors, its Committees, on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company.

The performance of each of the non-independent directors (including the chair person) was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

#### Policy on Directors appointment and remuneration

Criteria determining the qualifications, positive attributes and independence of Directors

#### Independent Directors

- Qualifications of Independent Director

An Independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields

of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

- Positive attributes of Independent Directors

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

- Independence of Independent Directors

An Independent director should meet the requirements of Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### Other Directors and Senior Management

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

The Company shall not appoint or continue the employment of any person as Whole-time Director or Senior Management Personnel if the evaluation of his performance is not satisfactory.

Other Details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director and Non- Executive Directors).

### Remuneration / commission from Holding or Subsidiary Company

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

### Remuneration Policy

It is separately disclosed in the Corporate Governance Report attached as a separate Annexure - VIII to this Report.

### Auditors and their Observations:

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.

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

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

### Cost Auditors

Company has appointed K.G.Goyal & Co., as Cost Auditors for conducting cost audit for the year 2016-17.

### Secretarial Audit

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed Umesh Parikh and Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year 2016-17.

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

### Insurance

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

### 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.

### Material Changes Affecting Financial Position of the Company

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. 31st March, 2016 and the date of the Board's Report.

### Change in nature of business

No changes has been made in nature of business carried out by the company during the financial year 2015-16.

### Orders passed by Regulatory Bodies or Courts

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

### Vigil Mechanism

The company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate Annexure - VIII.

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

For and on behalf of the Board of Directors,

Kolkata.  
3<sup>rd</sup> May, 2016

**Vikram Somany**  
Chairman and Managing Director

## Annexure - A to the Directors' Report

### Management Discussion and Analysis

At CERA, the *growth* saga continues, despite not-so-conducive market conditions. The fact that CERA remains consistent performer, 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, Thiruvananthapuram 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.

CERA also launched CERA Style Studios on Wheels, a novel concept to take CERA products to the doorsteps of key decision makers like architects, developers, etc.

Your Company's current brand ambassador, Bollywood style and fashion icon and acclaimed actress, Sonam Kapoor, has added to 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.

During the year, your company received several awards for its performance — like Star SME from Business Standard, Business Knights award from Economic Times, Best Mid-sized Company award from Nav Gujarat Samay, Gujarat Ratna award from CNBC, Trusted Brand award from Reader's Digest, Asia's Most Promising Brand award from WCRC, etc. to just name a few.

Your Company has made an exclusive tie up with Italian luxury designer sanitaryware brand, ISVEA, to market their luxury range of sanitaryware in India. This will help your company enter the luxury segment.

#### 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 35 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 less affected 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.

Also, the newly introduced real estate regulatory authority bill is likely to help streamline the housing construction activities and help your company's growth.

#### 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, 2016 stands at 2415.

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 - B 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 1200 plus 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 overarching 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> standard 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 a.m. to 10:30 a.m. & 3:00 p.m. to 4:00 p.m., while classes for boys are held from 7:30 a.m. to 9:30 a.m. & 3:00 p.m. to 6:30 p.m. 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 has constructed about 136 Toilets & Urinals at public schools in Kadi & nearby villages. On keeping light to the development of health & nutrition for young students, Cera arranged a Health Checkup Camp at Kadi for schools and nearby children. Cera also arranged Health camp for adults.

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 tutor, sewing machines, materials and accessories. This year we have explored other women empowerment activities at Bhavpura location, Kadi like cooking, beauty parlor, hand embroidery, basic computer courses. We have empowered 750 women in this programme. Currently 100 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 and to ROTARY CLUB – Kolkata and Ahmedabad for construction of Shelter home at Hospital and Class rooms at Municipal Schools.

## Annexure - I to the Directors' Report

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 and forming part of the Report of the Board of Directors for the year ended 31<sup>st</sup> March, 2016.

### A. Energy Conservation

Discussed in 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 sanitary ware 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 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 two successive years since 2011 in a row has been further upgraded through replacement of costly zircon opacifier by cheaper one and still maintaining the highest quality standard.

Several dark colored glazes have been developed utilizing colorants/ stains from indigenous sources through import substitution and also 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 the 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 some times 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 and Waste Utilization Program" 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 program. Simultaneously, the generated wastes of body and glaze are benefited and used in production on regular basis. Necessary infrastructure has also been created to continue the activities in future.

Technology for developing new and innovative designs through 3D printing technology is being adopted during the year.

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 :  
 To minimize imports through utilization of raw materials and other inputs from indigenous sources for better inventory management and cost reduction.  
 To develop various eco-friendly glazes matching to the international standards of quality.  
 To initiate further innovation in the areas of development of bodies and glazes as R & D is a never ending process for making improvement in both once-fired and refire recovery as well as energy conservation.  
 The modernization of entire R&D division is under progress through replacement of old and obsolete equipments by new equipments with change in the layout of building.  
 A series of matt glazes were also developed. Products were also made in dual colors.  
 A superfine fire clay Sanitaryware body was developed and introduced in production to produce thin-rim wash basins.  
 Chemical Laboratory was set up to analyze raw materials and also Sanitaryware bodies.  
 A stamping ink was developed to apply on fired pieces.  
 A plastic than Clay was introduced in production along with other clays.  
 New Composition for different type of colour glazes were developed to enhance the surface quality of fired pieces.  
 Several new vendors were developed and introduced for supply of various colour and chemicals.  
 To improve the existing products aesthetic glaze features of the products, we planned to introduce Robotic glazing for the green products which not only will improve the uniformity of the glazing but it will reduce the manual handlings of green pieces also. Through robotic glazing we will be able to optimize the glaze consumption also. Uniform glaze surface of the products increase the aesthetic appearance and gloss of the product significantly.
4. Expenditure on R & D
- a) Capital : ₹ 104.78 Lacs
- b) Recurring : ₹ 98.11 Lacs
- c) Total : ₹ 202.89 Lacs
- d) Total R & D Expenditure as a percentage of total turnover : 0.22%

### 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	: ₹11820.33 Lacs
Total foreign exchange earned	: ₹ 801.46 Lacs



## Annexure - II to the Directors' Report

## Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries / associate Companies / joint ventures

## Part "A" : Subsidiaries

Sl.No.	Particulars	Details
1.	Name of the Subsidiary	ANJANI TILES LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Period ending on 31 <sup>st</sup> March, 2016
3.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.
4.	Share Capital	₹ 36,00,00,000/-
5.	Reserves & surplus	Nil
6.	Total Assets	₹ 76,66,38,652/-
7.	Total Liabilities	₹ 40,66,38,652/-
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before Taxation	Nil
11.	Provision for Taxation	Nil
12.	Profit after Taxation	Nil
13.	Proposed Dividend	Nil
14.	% of shareholding	Equity 51 % Preference 55.92 %

## Part "B" : Associates and Joint Ventures - N.A.

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

	Name of Associates/ Joint Ventures	
1.	Latest Audited Balance Sheet Date	N.A.
2.	Shares of Associates/ Joint Ventures held by the Company on the year end	
	No	
	Amount of Investment in Associates/ Joint Ventures	
	Extent of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the Associate/ Joint Venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)

**Narendra N. Patel**  
President & Company Secretary

Place : Kolkata  
Date : 3rd May, 2016

**Vikram Somany** Chairman and Managing Director

**Deepshikha Khaitan** Director

**Sajan Kumar Pasari** Director

**Lalit Kumar Bohania** Director

**Atul Sanghvi** Executive Director



## Annexure - IV to the Directors' Report

## Corporate Social Responsibility (CSR)

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

- A brief outline of the Company's CSR policy, including : overview of the projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs  
CSR policy of the company is available at web link : <http://www.cera-india.com/Content.aspx?conld=18>  
Projects to be undertaken : education, health, woman empowerment
- The Composition of the CSR Committee.  
Shri Vikram Somany – Chairman  
Shri Atul Sanghvi – Member  
Smt. Deepshikha Khaitan – Member  
Shri Ashok Chhajed – Member
- Average net profit of the Company for last three financial years : ₹ 9004.88 Lacs
- Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) :  
The Company was required to spend towards CSR. : ₹ 180.10 Lacs
- Details of CSR spent during the financial Year :
  - Total amount to be spent for financial year : ₹ 235.57 Lacs (Including ₹ 55.47 Lacs amount unspent of previous year)
  - Amount unspent, if any : ₹ 69.76 Lacs
  - 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	Kadi, Kundal (Gujarat)	35.00	27.90	27.90	Direct
2.	Medical Assistance; Health Camps and Yoga Facility	Healthcare Kidney awareness, Spritual Dev.	Kadi Ahmedabad (Gujarat)	15.00	11.14	11.14	Direct
3	Women Empowerment	Upliftment/ Women Empowerment	Kadi, Kundal (Gujarat)	5.00	2.45	2.45	Direct
4	Drinking Facility; Provision of Computers; Furniture Distribution	Educational Support Facilities	Kadi, Sarsav, Budasan (Gujarat)	75.00	58.71	58.71	Direct
5	Food to Needy	Upliftment of poor And needy children	Kolkata, Kadi (Gujarat & West Bengal)	35.00	31.86	31.86	Direct
6	Rural Development	Environment conservation & Construction of Roof & stair case	Kolkata Kadi (Gujarat & West Bengal)	10.00	6.00	6.00	Direct
7	Night Shelter Facility to Needy	Night Shelter Facility for Child Health	Kolkata (West Bengal)	22.00	22.00	22.00	Direct
8	Assets	Assets	Kadi (Gujarat)	8.57	5.75	5.75	Direct
	<b>TOTAL</b>			<b>205.57</b>	<b>165.81</b>	<b>165.81</b>	

- 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 thereof, 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. 2016-17.
- 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 - V to the Directors' Report

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

Sr.No.	Particulars																				
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	<table style="width: 100%; border: none;"> <tr> <td colspan="5" style="text-align: center;">Wholetime Directors</td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">ED</td> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">62x</td> <td style="text-align: center;">17x</td> <td colspan="3"></td> </tr> </table>					Wholetime Directors					CMD	ED				62x	17x			
Wholetime Directors																					
CMD	ED																				
62x	17x																				
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> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">ED</td> <td style="text-align: center;">CEO</td> <td style="text-align: center;">KMPs CFO</td> <td style="text-align: center;">CS</td> </tr> <tr> <td style="text-align: center;">6.25%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">23%</td> </tr> </table>		Wholetime Directors					CMD	ED	CEO	KMPs CFO	CS	6.25%	20%	12%	20%	23%			
Wholetime Directors																					
CMD	ED	CEO	KMPs CFO	CS																	
6.25%	20%	12%	20%	23%																	
iii.	The % increase in the median remuneration of employees in the financial year.	17 – 20%																			
iv.	The number of permanent employees on the rolls of Company.	2415																			
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.	Market Capitalisation	2015-16 ₹ 2392.43 Cr.	2014-15 ₹ 3227.21 Cr.																	
		PE Ratio	28.67	46.50																	
		Last Public Offer Market Quotation	(Not Applicable as no public offer made by the Company.)	(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 the employees other than the managerial personnel in the last financial year is 17%-20% as against an increase of 12%-20% 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 remuneration of the each Key Managerial Personnel against the performance of the Company.	<u>Particulars</u>	<u>% of Net Sales for F.Y 2015-16.</u>																		
		CMD	0.57%																		
		ED	0.15%																		
		CEO	0.27%																		
		CFO	0.07%																		
		CS	0.05%																		
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 - VI 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, 2016.

**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 (66 years)	Chairman and Managing Director	5,31,17,565	B.Sc., FCMI (U.K.) (41 years)	13.08.2002	Madhusudan Industries Limited Chairman cum Managing Director (1 year)	19.87
2	Shri Subhash Chandra Kothari (71 years)	C E O	2,53,51,331	B.Com., LLB, FCA (42 years)	12.09.2012	Cera Sanitaryware Ltd. (Whole Time Director) (24 Years)	0.05
3	Shri Atul Sanghvi (54 years)	Executive Director	1,45,61,190	MBA (Marketing) (32 years)	18.01.1999	Grasim Industries Ltd. Cement Division GM (Marketing) (11 years)	0.00
4	Shri Vivek Tewari (48 years)	President (Works)	85,54,732	M.Tech., MBA (24 years)	03.12.2013	HSIL Ltd., Associate VP(works) (5 years)	0.00
5	Shri Rajesh B. Shah (57 years)	CFO / COO (Fin. & Comm.)	70,28,202	B.Com., ACA (30 years)	05.04.2005	Madhusudan Ind. Ltd. G.M ( Finance ) ( 20 years )	0.00
6	Shri Abbey Rodrigues (45 years)	Sr. V.P (Marketing)	1,08,35,535	B.Com., PGDMSM (22 years)	09.12.1996	Deluxe Sanitary Appliances Sales Executive (1.5 years)	0.03
7	Shri P. K. Shashidharan (57 years)	Sr. V. P. (Marketing)	1,05,26,661	M.A. (English) (36 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)
Nil							

**Notes :**

- Gross remuneration as above includes Salary, Incentives, Company's contribution to Provident Fund, 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 - VII to the Directors' Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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 – 380 009.  
 Phone No. : 079-26580461, Email ID : mcsstaahmd@gmail.com

## 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

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Anjani Tiles Limited <u>Registered Office Address:</u> D. No. 9-34/1, Tadepalligudem Road, Vishnupur, Bhimavaram Andhra Pradesh - 534202	U26990AP2015PLC096439	Subsidiary	51% (equity)  55.92% (Pref.)	2(87)

## 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	2846809	0	2846809	21.88	2855203	0	2855203	21.95	0.07
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4265436	0	4265436	32.80	4265436	0	4265436	32.80	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(1)</b>	<b>7112245</b>	<b>0</b>	<b>7112245</b>	<b>54.68</b>	<b>7120639</b>	<b>0</b>	<b>7120639</b>	<b>54.75</b>	<b>0.07</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	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</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>	<b>7112245</b>	<b>0</b>	<b>7112245</b>	<b>54.68</b>	<b>7120639</b>	<b>0</b>	<b>7120639</b>	<b>54.75</b>	<b>0.07</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	315367	500	315867	2.43	603605	500	604105	4.64	2.22
(b)	Financial Institutions / Banks	101954	5300	107254	0.82	239795	5300	245095	1.88	1.06
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1999054	0	1999054	15.37	1801461	0	1801461	13.85	-1.52
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify) - Foreign Body Corporate	351000	0	351000	2.70	351000	0	351000	2.70	0.00
	<b>Sub-Total (B)(1)</b>	<b>2767375</b>	<b>5800</b>	<b>2773175</b>	<b>21.32</b>	<b>2995861</b>	<b>5800</b>	<b>3001661</b>	<b>23.08</b>	<b>1.76</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	325439	8650	334089	2.57	258411	7850	266261	2.05	-0.52
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	1229140	457150	1686290	12.97	1240349	411859	1652208	12.70	-0.26
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	841333	0	841333	6.47	793940	0	793940	6.10	-0.36
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (specify)									
I	Hindu Undivided Family	79374	400	79774	0.61	72751	400	73151	0.56	-0.05
II	Non Resident Individuals	131568	1500	133068	1.02	48614	1500	50114	0.39	-0.64
III	Trusts	45900	0	45900	0.35	47900	0	47900	0.37	0.02
	<b>Sub-Total (B)(2)</b>	<b>2652754</b>	<b>467700</b>	<b>3120454</b>	<b>24.00</b>	<b>2461965</b>	<b>421609</b>	<b>2883574</b>	<b>22.17</b>	<b>-1.82</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>	<b>5420129</b>	<b>473500</b>	<b>5893629</b>	<b>45.32</b>	<b>5457826</b>	<b>427409</b>	<b>5885235</b>	<b>45.25</b>	<b>-0.06</b>
	<b>TOTAL (A)+(B)</b>	<b>12532374</b>	<b>473500</b>	<b>13005874</b>	<b>100.00</b>	<b>12578465</b>	<b>427409</b>	<b>13005874</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12532374</b>	<b>473500</b>	<b>13005874</b>	<b>100.00</b>	<b>12578465</b>	<b>427409</b>	<b>13005874</b>	<b>100.00</b>	<b>0.00</b>

## (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	22.30	0.00	2900275	22.30	0.00	0.00
2	MADHUSUDAN HOLDINGS LTD.	7500	0.06	0.00	7500	0.06	0.00	0.00
3	VIKRAM SOMANY	941953	7.24	0.00	945847	7.27	0.00	0.03
4	REKHA COMMERCIAL LTD.	532388	4.09	0.00	532388	4.09	0.00	0.00
5	TRISURE PROMOTIONS & TRADINGS LTD.	484400	3.72	0.00	484400	3.72	0.00	0.00
6	SMITI SOMANY	1542240	11.86	0.00	1542240	11.86	0.00	0.00
7	SUVINAY TRADING & INVESTMENT CO. LTD.	259420	1.99	0.00	259420	1.99	0.00	0.00
8	VIKRAM SOMANY	100000	0.77	0.00	100000	0.77	0.00	0.00
9	VENUGOPAL HOLDINGS LTD.	63388	0.49	0.00	63388	0.49	0.00	0.00
10	DEEPSHIKHA KHAITAN	39116	0.30	0.00	39116	0.30	0.00	0.00
11	GANGA SOMANY	23500	0.18	0.00	28000	0.22	0.00	0.04
12	POOJA JAIN SOMANY	200000	1.54	0.00	200000	1.54	0.00	0.00
13	MADHUSUDAN INDUSTRIES LTD.	18065	0.14	0.00	18065	0.14	0.00	0.00
	<b>TOTAL</b>	<b>7112245</b>	<b>54.68</b>	<b>0.00</b>	<b>7120639</b>	<b>54.75</b>	<b>0.00</b>	<b>0.07</b>



**(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	<b>7112245</b>	<b>54.685</b>	<b>7112245</b>	<b>54.68</b>
	27.04.2015 (Purchase)	1394	0.011	7113639	54.70
	28.04.2015 (Purchase)	2000	0.015	7115639	54.71
	30.04.2015 (Purchase)	1000	0.008	7116639	54.72
	03.08.2015 (Purchase)	2500	0.019	7119139	54.74
	04.08.2015 (Purchase)	1500	0.012	7120639	54.75
	At the end of the year			<b>7120639</b>	<b>54.75</b>

**(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	JWALAMUKHI INVESTMENT HOLDINGS Sale Cumulative Holdings : 05.06.2015 - 775286, 17.07.2015 - 660286, 23.10.2015 - 597286	821296	6.31	597286	4.59
2	NALANDA INDIA EQUITY FUND LIMITED No Change	371558	2.86	371558	2.86
3	INDIA 2020 FUND II, LIMITED No Change	351000	2.70	351000	2.70
4	VIJAY KEDIA Sale Cumulative Holdings - 10.04.2015 - 252000, 24.04.2015 - 250574, 01.05.2015 - 250242, 08.05.2015 - 250000	253000	1.95	250000	1.92
5	SAJAN KUMAR PASARI No Change	245140	1.88	245140	1.88
6	STEADVIEW CAPITAL MAURITIUS LIMITED Purchase Cumulative Holdings - 21.08.2015 - 236655	236120	1.82	236655	1.82
7	MALABAR INDIA FUND LIMITED Purchase Cumulative Holdings - 01.05.2015 - 130165, 12.06.2015 - 137559, 19.06.2015 - 143836, 10.07.2015 - 190165, 17.07.2015 - 192401, 22.01.2016 - 201614, 29.01.2016 - 205312, 05.02.2016 - 210782, 12.02.2016 - 222403, 19.02.2016 - 229636, 26.02.2016 - 230061	110165	0.85	230061	1.77
8	TATA BALANCED FUND Purchase - Cumulative Holdings - 10.04.2015 - 150000, 01.05.2015 - 170000, 05.06.2015 - 200000	147000	1.13	200000	1.54
9	ABG CAPITAL Purchase Cumulative Holdings - 10.04.2015 - 101062, 21.08.2015 - 103429, 28.08.2015 - 118429, 04.09.2015 - 119729, 23.10.2015 - 149729, 30.10.2015 - 179729, Sale 18.03.2016 - 172646, 25.03.2016 - 171923, 31.03.2016 - 169048	97115	0.75	169048	1.30
10	DSP BLACKROCK MICRO CAP FUND Purchase Cumulative Holdings - 17.07.2015 - 117625, 24.07.2015 - 117702, 31.07.2015 - 132027, 18.09.2015 - 133215, 25.09.2015 - 133426	0	0.00	133426	1.03

## (v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMPs	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	Shri Vikram Somany 27.04.2015 - 1394 (Purchase) 03.08.2015 - 2500 (Purchase)	1041953	8.01	1045847	8.04
2	Shri Sajan Kumar Pasari	245140	1.88	245140	1.88
3	Smt. Deepshikha Khaitan	39116	0.30	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	18	0.00	18	0.00
9	Shri S. C. Kothari	6754	0.05	6754	0.05
10	Shri Rajesh B. Shah	252	0.00	252	0.00
11	Shri Narendra N. Patel	0	0.00	0	0.00

## 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	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
Change in Indebtedness during the financial year				
Addition	0	0	10523523	<b>10523523</b>
Reduction	-330773988	0	0	<b>-330773988</b>
Net Change	<b>-330773988</b>	<b>0</b>	<b>10523523</b>	<b>-320250465</b>
Indebtedness at the end of the financial year				
i) Principal Amount	350842321	0	95344144	<b>446186465</b>
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	<b>350842321</b>	<b>0</b>	<b>95344144</b>	<b>446186465</b>

**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	48406000	13276672	<b>61682672</b>
(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	0	0	<b>0</b>
	- Others, specify as a % on sales	0	0	<b>0</b>
5	Others, specify (perq + PF)	4711565	1284518	<b>5996083</b>
	Total (A)	<b>53117565</b>	<b>14561190</b>	<b>67678755</b>
	Ceiling as per Act	<b>67513194</b>	<b>67513194</b>	<b>135026388</b>

**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	20000	30000	20000	30000	100000
•	Commission	200000	200000	200000	200000	800000
•	Others, please specify	0	0	0	0	0
	Total (1)	<b>220000</b>	<b>230000</b>	<b>220000</b>	<b>230000</b>	<b>900000</b>
2	Other Non-Executive Directors	Dr. K. N. Maiti**		Smt. Deepshikha Khaitan		
•	Fee for attending board committee meetings	20000		30000		50000
•	Commission	200000		200000		400000
•	Others, please specify	0		0		0
	Total (2)	<b>220000</b>		<b>230000</b>		<b>450000</b>
	Total (B)=(1+2)					<b>1350000</b>
	Total Managerial Remuneration					<b>69028755</b>
	Overall Ceiling as per the Act					<b>148529026</b>

## 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	23243200	3511424	6133360	32887984
(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)	2108131	597153	894842	3600126
	Total	25351331	4108577	7028202	36488110

## 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>					
<b>B. DIRECTORS</b>					
<b>C. OTHER OFFICERS IN DEFAULT</b>					

\* Ceased to be a director w.e.f. 23.04.2016.

\*\* Dr. K. N. Maiti is also paid consultancy fee of ₹ 37,55,645/- as Ceramic Scientist.

## Annexure - VIII to the Directors' Report

## CORPORATE GOVERNANCE REPORT

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

## 1) Company's Philosophy

The Company believes in the practice of good Corporate Governance and acting as a good corporate citizen.

The spirit of Corporate Governance has been prevailing in the Company. The Company believes in the values of transparency, professionalism and accountability. The Company recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders and with every individual, who comes in contact with the Company.

## 2) Board of Directors

The Board comprises of a Chairman and Managing Director, an Executive Director, 4 (Four) Independent Directors and 2 (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, 5 (five) Board Meetings were held on 23.04.2015, 11.06.2015, 15.07.2015, 23.10.2015 and 02.02.2016.

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

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

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other directorship	No. of Other Committee Membership
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	5	YES	1	—
2.	Smt. Deepshikha Khaitan	Non-Executive Promoter Director	3	YES	3	—
3.	Shri Sajan Kumar Pasari	Non-Executive Independent Director	3	NO	9	—
4.	Shri Ashok Chhajed*	Non-Executive Independent Director	2	YES	—	—
5.	Dr. K N Maiti	Non-Executive Director	2	NO	—	—
6.	Shri Govindbhai P Patel	Non-Executive Independent Director	2	YES	—	—
7.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	3	NO	13	—
8.	Shri Atul Sanghvi	Executive Director	2	YES	2	—

\* Ceased to be a director w.e.f. 23.04.2016.

Familiarization programs imparted to independent directors is posted on Company's website [www.cera-india.com](http://www.cera-india.com)

## Performance Evaluation:

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

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

## Independent Directors' Meeting:

During the year under review, the Independent Directors met on 02.02.2016 inter alia, to discuss:

- Evaluation of the performance of Independent directors, Non-Independent Directors, Executive Director, the Board of Directors as a whole and Key Managerial Personnel;
- Evaluation of the performance of the Chairman and Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and time lines 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 implemented model code of conduct for the Board members and senior Officers of the Company. The code of conduct has been posted on the website of the Company i.e. [www.cera-india.com](http://www.cera-india.com)

## Risk management Policy

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

## 3) Audit Committee

The Audit Committee, consists of 4 (Four) directors, namely Shri Govindbhai P. Patel – Chairman (Independent), Shri Vikram Somany, Shri Sajan Kumar Pasari (Independent) and Shri Lalit Kumar Bohania (Independent). During the year, 4 (four) Audit Committee Meetings were held on 23.04.2015, 15.07.2015, 23.10.2015 and 02.02.2016.

## Terms of reference

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

Name of Director	No. of Meetings	
	Held	Attended
Shri Ashok Chhajed *	4	3
Shri Vikram Somany	4	3
Shri Sajan Kumar Pasari	4	1
Shri Lalit Kumar Bohania	4	1
Shri Govindbhai P. Patel	4	3

\* Ceased to be a director w.e.f. 23.04.2016.

#### 4) Nomination and Remuneration Committee

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

The Committee fixes the Remuneration of Whole Time Directors, which include all elements of remuneration package i.e. salary, benefits, bonus, incentives, pension, retirement benefits and such other benefits.

The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as may be necessary. During the year under review, 2 (Two) Nomination and Remuneration Committee Meetings were held on 23.04.2015 and 15.07.2015.

Name of Director	No. of Meetings	
	Held	Attended
Shri Govindbhai P. Patel	2	2
Shri Vikram Somany	2	1
Shri Lalit Kumar Bohania	2	-
Shri Sajan Kumar Pasari	2	-
Shri Ashok Chhajed*	2	2

\* Ceased to be a director w.e.f. 23.04.2016.

Independent Directors are appointed and their performance is evaluated based on the criteria such as knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company, number of meetings attended, familiarization programs attended, time devoted etc. Executive Directors are appointed on the basis of requirement of the Company, qualifications & experience, association with the Company, loyalty etc. Executive Directors are preferably promoted from within the Company based on above criteria.

The committee recommends appointment of directors to the board.

#### 5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, consists of 4 (Four) directors namely, Shri Vikram Somany – Chairman, Shri 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 23.04.2015 and 23.10.2015.

#### 6) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

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

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

#### 7) Details of remuneration for the year ended 31.03.2016

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

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 and sitting fees paid to them for the year 2015-16 are as under:

Name	Sitting Fees (₹)	Commission (₹)
Shri Sajan Kumar Pasari	30,000/-	2,00,000/-
Dr. K. N. Maiti	20,000/-	2,00,000/-
Shri Lalit Kumar Bohania	30,000/-	2,00,000/-
Shri Ashok Chhajed *	20,000/-	2,00,000/-
Shri Govindbhai P. Patel	20,000/-	2,00,000/-
Smt. Deepshikha Khaitan	30,000/-	2,00,000/-
<b>TOTAL</b>	<b>1,50,000/-</b>	<b>12,00,000/-</b>

\* Ceased to be a director w.e.f. 23.04.2016.

Dr. K. N. Maiti is also paid consultancy fees of ₹ 37,55,645/- as ceramic scientist as per the approval of Nomination 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

\* Ceased to be a director w.e.f. 23.04.2016.

### 8) Share Transfer Committee

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

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

Share Transfer Agent

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

### 9) Stakeholders Relationship Committee

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

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

During the year 2015-16, the Company had received 18 complaints from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31.03.2016, which is not attended / replied by the Company.

The Company confirms that there were no share transfers lying pending as on date which were received upto 31.03.2016

and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

During the year, one meeting was held on 23.04.2015.

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

### 10) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year ended	Date	Time	Venue
31.03.2015	30.07.2015	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2014	22.08.2014	11.00 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2013	11.07.2013	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.

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

- Appointment of Shri Atul Sanghvi as Executive director. (Annual General Meeting dated 22.08.2014)
- Appointment of Shri Vikram Somany as Chairman and Managing Director. (Annual General Meeting dated 22.08.2014)
- Appointment of Shri M.K. Bhandari as Director - Technical. (Annual General Meeting dated 11.07.2013)
- Retaining the services of Dr. K. N. Maiti a professional Director and ceramic scientist as a Consultant. (Annual General Meeting dated 11.07.2013)

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

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

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

### 11) Means of Communication

- Quarterly results are published in leading daily newspapers viz. Financial Express / The Economic Times / Times of India and a local language newspaper viz. The Economic Times/ JaiHind/ Divya Bhaskar / Financial Express. The annual results (Annual Reports) are circulated to all the members of the Company either electronically or in physical form.
- Management Discussion & Analysis forms part of this Annual Report, which is also being posted to all the members of the Company.

3. The official news releases, if any, are given directly to the press and simultaneously to the Stock Exchanges.
4. The Company sends its financial results, Shareholding pattern and other information to BSE Limited and National Stock exchange of India Limited. They upload this information on their websites i.e. <http://www.bseindia.com> and <http://www.nseindia.com>. The said information is also available on the company's website [www.cera-india.com](http://www.cera-india.com).
5. Occasionally presentations are made to the institutional investors and/or analysts. Information which is published is only provided to them and only general outlook or future plans are shared with them. Such presentations or communications are posted on the website of the company [www.cera-india.com](http://www.cera-india.com).

## 12) General Shareholders' Information

### 1. Annual General Meeting :

Date and Time : 29<sup>th</sup> July, 2016 @ 11.30 a.m.  
Venue : 9, GIDC Industrial Estate,  
Kadi – 382 715, Dist. Mehsana.

### 2. Financial Calendar 2016-17 (tentative) :

Annual General Meeting By 3<sup>rd</sup> / 4<sup>th</sup> week of  
September, 2017

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

June 30, 2016 August, 2016  
September 30, 2016 November, 2016  
December 31, 2016 February, 2017  
March 31, 2017 (Audited) By 29<sup>th</sup> May, 2017

3. **Book Closure date** 16<sup>th</sup> July, 2016 to 22<sup>nd</sup> July, 2016. (both days inclusive)

### 4. Dividend Payment

Dividend for the year ended 31.03.2016 will be paid to the members whose names will appear in the register of members of the Company, on 22.07.2016 after giving effect to all valid transfer of shares in physical form lodged with the Company on or before 15.07.2016 at the end of business hours, and in respect of shares held in De-mat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 15.07.2016.

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/ NACH.

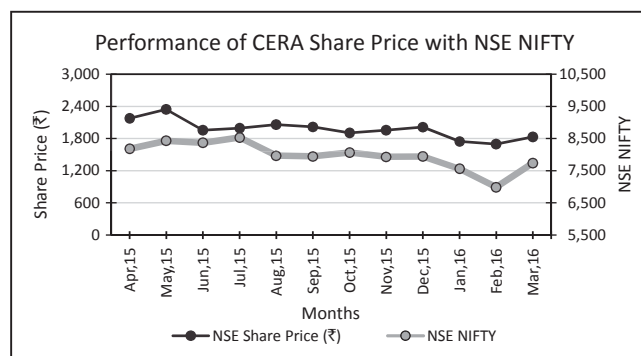
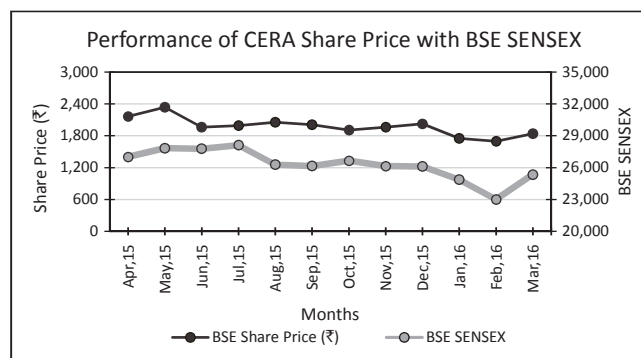
### 5. Listing on Stock Exchanges

The Company's shares are listed at BSE Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid listing fees for the year 2015-16 and 2016-17 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 2015	2,952.05	1,929.50	2,960.90	1,940.00
May 2015	2,355.40	2,036.30	2,359.00	2,032.80
June 2015	2,398.40	1,931.35	2,398.70	1,927.00
July 2015	2,205.00	1,711.00	2,211.00	1,705.00
August 2015	2,103.15	1,828.70	2,125.00	1,825.00
September 2015	2,051.30	1,829.15	2,075.00	1,824.00
October 2015	2,298.10	1,854.25	2,300.00	1,850.85
November 2015	1,999.00	1,808.00	2,000.00	1,800.00
December 2015	2,049.05	1,840.00	2,049.00	1,830.10
January 2016	2,025.00	1,703.10	2,025.00	1,710.20
February 2016	1,800.50	1,475.00	1,818.65	1,509.95
March 2016	1,890.00	1,720.00	1,909.95	1,696.00



## 7. Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / rematerialization job is assigned to R & T Agent, MCS Share Transfer Agent Limited, a SEBI registered Share Transfer Agent. Request for Share transfer, dematerialization and rematerialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 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.



**8. 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 at least once in 10 days for effecting transfer of shares and other related matters.

**9. Distribution of Shareholding as on 31.03.2016**

Shares	No. of Shareholders	Total No. of Shares
1 – 500	14,903	11,87,274
501 – 1000	279	2,02,263
1001 – 2000	124	1,83,653
2001 – 3000	42	1,06,032
3001 – 4000	17	62,670
4001 – 5000	12	52,807
5001 – 10,000	23	1,60,635
10,001 – 50,000	19	5,48,129
50,001 – 1,00,000	9	6,18,867
1,00,001 And above	19	98,83,544
<b>Total</b>	<b>15,447</b>	<b>1,30,05,874</b>

**10. Pattern of Shareholding as on 31.03.2016**

Sr. No.	Category	No. of Shares	(%)
1.	NRIs	50,114	0.39
2.	FIIIs	18,01,461	13.85
3.	Financial Institutions/Banks	2,45,095	1.88
4.	Mutual Funds	6,04,105	4.64
5.	Foreign Body Corporate	3,51,000	2.70
6.	Promoters	71,20,639	54.75
7.	Bodies Corporate	2,66,261	2.05
8.	Indian Public	25,67,199	19.74
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

**11. Dematerialisation of Shares as on 31.03.2016**

As on 31.03.2016, 96.71% of the Company's total shares representing 1,25,78,465 Shares were held in dematerialized form and the balance 3.29% representing 4,27,409 shares were in paper form.

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

**12. Secretarial Audit for reconciliation of Capital**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a practicing Company Secretary carried out the Secretarial Audit for all the quarters of Financial Year 2015-16. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

13. There are no outstanding global depository receipts or American depository receipts or warrants or convertible instruments in the Company.

**14. 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 :
  - Village Patelka & Lamba, Taluka Kalyanpur, District Jamnagar, Gujarat.
  - Village & Taluka Kalyanpur, District Jamnagar, Gujarat.
  - Village Kadoli, Taluka Abdasa, District Kutch, Gujarat.
  - Village-Jivapar (Anandpar), Taluka-Chotila, Dist-Surendranagar, Gujarat.
  - Village-Mota Gunda, Taluka-Bhanwad, Dist-Devbhumi Dwarka, Gujarat.
  - Village-Navagam, Taluka-Bhanwad, Dist-Devbhumi Dwarka, Gujarat.

**15. Address for Correspondence**

The Company's Registered Office is situated at 9, GIDC Industrial Estate, Kadi-382715, District Mehsana, Gujarat. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above or Ahmedabad Office at "Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380006 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009.

**13) Other 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, penalty or strictures imposed on the Company by Stock Exchanges, SEBI or other statutory authority of any matter related to the capital market, during the last three years.
- Vigil Mechanism (Whistle Blower Policy):  
The Company has implemented a Vigil Mechanism (whistle Blower policy) and is posted on the Company's website i.e. [www.cera-india.com](http://www.cera-india.com) and no person is denied access to the Audit Committee.
- The Company has partly adopted non-mandatory requirements. The Company has Chairman and Managing Director. The Company is having unmodified audit opinion. The Internal Auditor may report directly to the audit committee.
- The Company has no material subsidiary.

## 6. Related Party Transactions

All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. [www.cera-india.com](http://www.cera-india.com).

## 7. Commodity Risk or Foreign Exchange Risk

The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.

## 8. CEO and CFO certification

As per Regulation 17(8) and Part – B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from CEO and CFO has been obtained.

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

	Number of share holders	Number of equity shares
Aggregate number of shareholders and shares outstanding as on April 1, 2015.	398	65,280
Number of shareholders who approached the Company for shares during the year.	18	3,110
Number of shareholders to whom shares were issued during the year.	18	3,110
Aggregate number of shareholders and shares outstanding as on March 31, 2016.	380	62,170

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

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

The Members of **Cera Sanitaryware Limited**

We have examined the compliance of conditions of Corporate Governance by Cera Sanitaryware Limited, for the financial year ended on 31<sup>st</sup> March 2016, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock exchanges.

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

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

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

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

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

Date : 3<sup>rd</sup> May, 2016

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

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

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31<sup>st</sup> March, 2016.

For **Cera Sanitaryware Limited**

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

Date : 3<sup>rd</sup> May, 2016

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives 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, 2016 generally 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, 2016 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (made effective from May 15, 2015);

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -Not applicable as the Company has not issued any shares during the year under review;
- (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 -Not Applicable as the Company has not issued any Shares / options to the Directors /Employees 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 the 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 -Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges 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;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Effective from December 1, 2015).

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

- (i) Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. (Effective from July 1, 2015.)
- (ii) The Listing Agreements and Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

**We further report that :**

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

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes which took place in the composition of the Board during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

**We further report that:**

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

**We further report that:**

During the Audit period under review, the event / action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc is as mentioned below:

- The Company has entered into Memorandum of Understanding (MOU) with M/s. Anjani Tiles Limited and has subscribed 51,00,000 Equity Shares of 10/- each for cash at par of the said Company (being of 51% of paid up Equity share capital).

For Umesh Parikh & Associates  
Company Secretaries

Umesh Parikh  
Proprietor

FCS No. 4152  
C P No.: 2413

Place : Ahmedabad  
Date : April 23, 2016

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

**ANNEXURE - A**

To,  
The Members,  
**CERA SANITARYWARE LIMITED**  
**CIN:L26910GJ1998PLC034400**

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

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

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

For Umesh Parikh & Associates  
Company Secretaries

Umesh Parikh  
Proprietor

FCS No. 4152  
C P No.: 2413

Place : Ahmedabad  
Date : April 23, 2016

Independent Auditors' Report

To,  
The Members of Cera Sanitaryware Limited

**Report on the Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of 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**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in the Audit Report.
5. 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.
6. 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.
7. 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**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure - A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
10. 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 standalone 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) 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 knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36.
  - 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.

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

Date : 3<sup>rd</sup> May, 2016

#### Annexure – A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **CERA SANITARYWARE LIMITED** on the standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2016.

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.
  - (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.
  - (c) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. As per the explanations given to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.
3. 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 granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186, wherever applicable, in respect of loans, investments, guarantees and securities given by the Company.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under, where applicable.
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 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. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, duty of Customs, duty of Excise, 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, 2016 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 (F.Y)	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	Income-tax	81.20	2012-13	Commissioner of Income-tax (Appeals)
8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, or government as at the balance sheet date. The Company has not issued any debentures.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Date : 3<sup>rd</sup> May, 2016

#### **Annexure – B to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of CERA SANITARYWARE LIMITED on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016.

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Cera Sanitaryware Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to and audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being



made only in accordance with authorities of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Date : 3<sup>rd</sup> May, 2016

## Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	65,029,370	65,029,370
(b) Reserves and Surplus	2	4,145,160,194	3,452,038,609
		<b>4,210,189,564</b>	<b>3,517,067,979</b>
<b>2. Non - current Liabilities</b>			
(a) Long-term Borrowings	3	53,353,535	142,383,839
(b) Deferred Tax Liabilities (Net)	4	343,928,721	278,240,902
(c) Other Long-term Liabilities	5	98,349,086	92,694,196
(d) Long-term Provisions	6	402,068,196	255,890,794
		<b>897,699,538</b>	<b>769,209,731</b>
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	7	208,458,483	450,202,167
(b) Trade Payables	8		
(i) Micro, Small & Medium Enterprises (Refer Note no. 43)		45,001,147	136,478,512
(ii) Others		528,569,182	350,072,685
(c) Other Current Liabilities	9	1,288,681,509	998,733,417
(d) Short-term Provisions	10	286,914,578	220,606,370
		<b>2,357,624,899</b>	<b>2,156,093,151</b>
<b>Total</b>		<b>7,465,514,001</b>	<b>6,442,370,861</b>
<b>II ASSETS</b>			
<b>1. Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	2,253,425,683	2,141,769,154
(ii) Intangible Assets	11	4,518,731	5,025,820
(iii) Capital Work-in-progress	11	42,405,556	76,553,678
(iv) Intangible Assets under development	11	-	-
(b) Non-current Investments	12	196,413,000	13,000
(c) Long-term Loans and Advances	13	367,798,075	320,165,454
		<b>2,864,561,045</b>	<b>2,543,527,106</b>
<b>2. Current Assets</b>			
(a) Current Investments	14	474,715,588	477,564,791
(b) Inventories	15	1,321,823,412	1,258,913,938
(c) Trade Receivables	16	1,884,291,890	1,612,230,084
(d) Cash and Cash equivalents	17	593,917,379	295,291,187
(e) Short-term Loans and Advances	18	310,313,678	252,189,239
(f) Other Current Assets	19	15,891,009	2,654,516
		<b>4,600,952,956</b>	<b>3,898,843,755</b>
<b>Total</b>		<b>7,465,514,001</b>	<b>6,442,370,861</b>

Significant Accounting Policies

Notes to Accounts on Financial Statements

29 to 44

As per our report of even date attached

For and on behalf of

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

Chartered Accountants

**Tushar H. Vasa**

Membership No. 16831

Place : Kolkata

Date : 3<sup>rd</sup> May, 2016**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany** Chairman and Managing Director**Deepshikha Khaitan** Director**Sajan Kumar Pasari** Director**Lalit Kumar Bohania** Director**Atul Sanghvi** Executive Director

## Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	2015-16 ₹	2014-15 ₹
I Revenue from Sale of Goods	20	9,770,727,193	8,579,948,789
Less : Excise duty		433,857,494	363,271,729
<b>Net Sales</b>		<b>9,336,869,699</b>	<b>8,216,677,060</b>
II Other Income	21	99,706,515	65,870,696
III <b>Total Revenue (I + II)</b>		<b>9,436,576,214</b>	<b>8,282,547,756</b>
IV Expenses :			
Cost of Materials Consumed	22	762,059,096	708,707,393
Purchases	23	3,712,401,265	3,321,574,229
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-Trade	24	(67,072,962)	(187,425,384)
Employee Benefits Expenses	25	1,110,125,722	917,364,938
Finance Costs	26	54,622,852	77,288,429
Depreciation and Amortization Expenses		163,197,795	154,609,048
Other Expenses	27	2,406,600,551	2,281,166,842
<b>Total Expenses</b>		<b>8,141,934,319</b>	<b>7,273,285,495</b>
V Profit before tax (III-IV)		1,294,641,895	1,009,262,261
VI Tax expense:			
(1) Current tax (including for earlier years)		394,312,181	252,525,000
(2) Deferred tax		65,687,819	80,092,171
		<b>460,000,000</b>	<b>332,617,171</b>
VII Profit for the period (V - VI)		<b>834,641,895</b>	<b>676,645,090</b>
VIII Earnings per equity share of face value of ₹ 5/- each			
Basic & Diluted	28	64.17	53.36
Significant Accounting Policies Notes to Accounts on Financial Statements	29 to 44		

As per our report of even date attached

For and on behalf of

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

Chartered Accountants

**Tushar H. Vasa**

Membership No. 16831

Place : Kolkata

Date : 3<sup>rd</sup> May, 2016**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany** Chairman and Managing Director**Deepshikha Khaitan** Director**Sajan Kumar Pasari** Director**Lalit Kumar Bohania** Director**Atul Sanghvi** Executive Director

## Cash Flow Statement for the year ended 31st March, 2016

Particulars	Year ended March 31, 2016		Year ended March 31, 2015
	₹	₹	₹
<b>A. Cash flow from operating activities</b>			
Net Profit before tax		1,294,641,895	1,009,262,261
Adjusted for			
Depreciation	163,197,795		154,609,048
Foreign Exchange (loss) / gain	(782,704)		1,974,587
Provision for diminution in value of Investments	317,290		12,921
Interest Charged	51,310,842		75,797,172
Interest received	(30,690,288)		(13,816,145)
Dividend received	(10,100,277)		(1,449,191)
Foreign Exchange Variation (Income) / Loss	782,704		(1,974,587)
Profit on Sale of Investments	(14,234,518)		(64,427)
Amortisation of Lease hold Land	59,870		59,870
(Profit) / Loss on Sale of Fixed Assets (Net)	977,739		11,520,853
		<b>160,838,453</b>	<b>226,670,101</b>
Operating profit before working capital changes		<b>1,455,480,348</b>	<b>1,235,932,362</b>
Adjustment for changes in working capital			
Inventories	(62,909,474)		(213,152,992)
Trade and other Receivable	(272,061,806)		(546,008,808)
Short-term loans and advances	(58,124,439)		(117,588,033)
Other Current Assets	(13,236,493)		2,332,232
Long-term loans and advances	3,891,787		(12,990,846)
Trade Payable	87,019,132		109,670,975
Short Term Provision	22,622,634		21,461,695
Other Current Liabilities	289,948,092		207,888,668
Other Long Term Liabilities	5,654,890		13,585,854
		<b>2,804,323</b>	<b>(534,801,255)</b>
Cash generated from operations		<b>1,458,284,671</b>	<b>701,131,107</b>
Direct taxes paid		<b>(299,659,187)</b>	<b>(295,527,344)</b>
Net cash from operating activities: Total (A)		<b>1,158,625,484</b>	<b>405,603,763</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets	(255,218,854)		(853,255,020)
Proceeds from sale of fixed assets	13,982,132		21,482,420
Purchase of Non Current Investments	(196,400,000)		-
Purchase of Current Investments	(320,624,099)		(407,575,012)
Sale of Current Investments	337,390,530		51,364,697
Interest received	30,690,288		13,816,145
Dividend received	10,100,277		1,449,191
Net cash used in investing activities: Total (B)		<b>(380,079,726)</b>	<b>(1,172,717,579)</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	(330,773,988)		199,089,569
Dividend paid	(81,286,713)		(63,274,370)
Tax on distributed profit	(16,548,023)		(10,753,480)
Interest paid	(51,310,842)		(75,797,172)
Net cash used in financing activities: Total (C)		<b>(479,919,566)</b>	<b>755,301,047</b>
<b>Net changes in cash &amp; cash equivalents (A+B+C)</b>		<b>298,626,192</b>	<b>(11,812,769)</b>
<b>Cash &amp; cash equivalent-Opening Balance</b>		<b>295,291,187</b>	<b>307,103,956</b>
<b>Cash &amp; cash equivalent-Closing Balance</b>		<b>593,917,379</b>	<b>295,291,187</b>

As per our report of even date attached

For and on behalf of

H. V. Vasa &amp; Co.

Chartered Accountants  
Tushar H. Vasa

Membership No. 16831

Place : Kolkata

Date : 3<sup>rd</sup> May, 2016Rajesh B. Shah  
CFO & COO (Fin. & Comm.)Narendra N. Patel  
President & Company Secretary

Vikram Somany

Deepshikha Khaitan

Sajan Kumar Pasari

Lalit Kumar Bohania

Atul Sanghvi

Chairman and Managing Director

Director

Director

Director

Executive Director

## Notes forming part of the Financial Statements as at 31st March, 2016

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<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	<u>100,000,000</u>	<u>100,000,000</u>
Total	<u>100,000,000</u>	<u>100,000,000</u>
<b>Issued, Subscribed &amp; Paid Up</b>		
1,30,05,874 (1,30,05,874) Equity Shares of ₹ 5/- each fully paid up	<u>65,029,370</u>	<u>65,029,370</u>
Total	<u>65,029,370</u>	<u>65,029,370</u>

**Terms / rights attached to Equity Shares :**

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 Issue of Bonus Shares**

	As at 31st March, 2016 No. of Shares	As at 31st March, 2015 No. of Shares
Equity Shares allotted as fully paid by way of Bonus Shares	<u>6,327,437</u>	<u>6,327,437</u>
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.		

**C Reconciliation of the number of Equity Shares outstanding is set out below :**

Particulars	As at 31st March, 2016 No. of Shares	As at 31st March, 2015 No. of Shares
Shares at the beginning of the year	<u>13,005,874</u>	<u>12,654,874</u>
Add : Issued during the year	-	351,000
Shares outstanding at the end of the year	<u>13,005,874</u>	<u>13,005,874</u>

**D Details of shareholders holding more than 5% of the aggregate shares :**

Name of Shareholder	As at 31st March, 2016	
	No. of Shares held	% of Holding
Vikram Investment Co. Ltd.	<u>2,900,275</u> (2,900,275)	<u>22.30%</u> (22.30%)
Shri Vikram Somany	<u>1,045,847</u> (1,041,953)	<u>8.04%</u> (8.01%)
Smt Smiti Somany	<u>1,542,240</u> (1,542,240)	<u>11.86%</u> (11.86%)
HSBC Bank (Mauritius) Limited A/c - Jwalamukhi Investment Holdings	-	-
	(821,296)	(6.31%)

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>2. Reserves &amp; Surplus</b>		
<b>a. Securities Premium Reserve</b>		
As per last Balance Sheet	809,593,606	105,312,106
Add : On issue of shares	-	704,281,500
Balance at the end of the year	<u>809,593,606</u>	<u>809,593,606</u>
<b>b. General Reserve</b>		
As per last Balance Sheet	2,142,445,003	1,771,087,378
Less : Depreciation on assets for period prior to 31.03.2014	-	(7,452,729)
Add : Transferred from Profit & Loss Account	393,121,585	378,810,354
Balance at the end of the year	<u>2,535,566,588</u>	<u>2,142,445,003</u>
<b>c. Profit &amp; Loss Account</b>		
As per last Balance Sheet	500,000,000	300,000,000
Add : Net Profit for the year	834,641,895	676,645,090
Less : Proposed Dividends ₹ 9/- per share (₹ 6.25 per Share)	(117,052,866)	(81,286,713)
Tax on Dividend	(24,467,444)	(16,548,023)
Transfer to Reserves	(393,121,585)	(378,810,354)
Balance at the end of the year	<u>800,000,000</u>	<u>500,000,000</u>
<b>Total</b>	<u><u>4,145,160,194</u></u>	<u><u>3,452,038,609</u></u>
<b>3. Long Term Borrowings</b>		
<b>Secured :</b>		
<b>Term Loans from Banks :</b> (Refer Note no-9(a))		
(i) <b>From State Bank of India</b>	18,000,000	54,000,000
(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.		
(ii) <b>From Kotak Mahindra Bank Ltd.</b>	35,353,535	88,383,839
(Secured by mortgage of property at Acropolis Mall at Ahmedabad, (Repayable in 36 monthly installments, from December, 2014 to November, 2017).		
<b>Total</b>	<u><u>53,353,535</u></u>	<u><u>142,383,839</u></u>
<b>4. Deferred Tax Liability (Net)</b>		
Deferred Tax Liabilities on account of :		
Depreciation (including of earlier years)	365,210,931	292,165,911
Deferred Expenses	55,753	136,895
	<u>365,266,684</u>	<u>292,302,806</u>
Less : Deferred Tax Assets on account of :		
Expenses allowable on payment basis	21,337,963	14,061,904
<b>Total</b>	<u><u>343,928,721</u></u>	<u><u>278,240,902</u></u>
<b>5. Other Long Term Liabilities</b>		
Deposits by Dealers	95,344,144	84,820,621
Other liabilities	3,004,942	7,873,575
<b>Total</b>	<u><u>98,349,086</u></u>	<u><u>92,694,196</u></u>
<b>6. Long Term Provisions</b>		
Provision for Taxation	402,068,196	255,890,794
<b>Total</b>	<u><u>402,068,196</u></u>	<u><u>255,890,794</u></u>
<b>7. Short Term Borrowings</b>		
<b>Secured :</b>		
(a) <b>Working Capital Loans from Bank</b>	208,458,483	450,202,167
From State Bank of India (Secured by hypothecation of Current Assets, Windmills at Kadoli, Lamba, Patelka and Kalyanpur and mortgage of Fixed Assets situated at 9, GIDC Industrial Estate and Residential Colony at Kadi).		
<b>Total</b>	<u><u>208,458,483</u></u>	<u><u>450,202,167</u></u>

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>8. Trade Payable</b>		
Due to Micro, Small & Medium Enterprises (Refer Note no - 43)	45,001,147	136,478,512
Others	528,569,182	350,072,685
<b>Total</b>	<b>573,570,329</b>	<b>486,551,197</b>
<b>9. Other Current Liabilities</b>		
(a) Current maturities of long term debts (Refer Note no - 3)	89,030,303	89,030,303
(b) Unclaimed dividends*	5,988,378	4,910,820
(c) Unpaid matured deposits and interest accrued thereon	162,882	351,531
(d) Other payables**	1,193,499,946	904,440,763
<b>Total</b>	<b>1,288,681,509</b>	<b>998,733,417</b>
* Amount to be transferred to the Investor education and protection fund shall be determined on respective due dates.		
** Includes statutory dues, Advance received from customers, amounts payable to Employees.		
<b>10. Short Term Provisions</b>		
(a) Provision for employees' benefits	145,394,268	122,771,634
(b) Others		
- Proposed Dividend	117,052,866	81,286,713
- Tax on Dividend	24,467,444	16,548,023
<b>Total</b>	<b>286,914,578</b>	<b>220,606,370</b>

**11. Fixed Assets**

Description	Gross Block				Depreciation / Amortisation					Net Block	
	As at 1st April 2015 ₹	Additions / Adjustments ₹	Deductions / Adjustments ₹	Balance as at 31st March 2016 ₹	As at 1st April 2015 ₹	Additional Depreciation till 31st March 2014 ₹	For the year ₹	Deductions / Adjustments ₹	Upto 31st March 2016 ₹	As at 31 March 2016 ₹	As at 31 March 2015 ₹
(i) TANGIBLE ASSETS :											
a Owned Assets :											
Leasehold Land	1,226,424	-	59,870	1,166,554	-	-	-	-	-	1,166,554	1,226,424
Freehold Land	49,443,565	-	-	49,443,565	-	-	-	-	-	49,443,565	49,443,565
Buildings	728,444,112	107,436,171	-	835,880,283	206,563,332	-	54,730,983	-	261,294,315	574,585,968	521,880,780
Plant & Machinery	1,911,565,907	130,589,832	54,471,962	1,987,683,777	410,752,223	-	72,741,599	41,318,180	442,175,642	1,545,508,135	1,500,813,684
Furniture & Fixtures	109,649,191	31,796,233	2,075,728	139,369,696	63,513,257	-	23,073,080	1,739,895	84,846,442	54,523,254	46,135,934
Vehicles	52,820,958	16,182,699	6,624,143	62,379,514	30,552,190	-	8,783,003	5,153,886	34,181,307	28,198,207	22,268,768
b LEASED ASSETS :											
Vehicles (Transfer to Vehicles on Completion of Loan)											
Sub - Total (i)	2,853,150,157	286,004,935	63,231,703	3,075,923,389	711,381,002	-	159,328,665	48,211,961	822,497,706	2,253,425,683	2,141,769,155
(ii) INTANGIBLE ASSETS :											
Computer Software	26,024,809	3,362,041	-	29,386,850	20,998,989	-	3,869,130	-	24,868,119	4,518,731	5,025,820
Sub - Total (ii)	26,024,809	3,362,041	-	29,386,850	20,998,989	-	3,869,130	-	24,868,119	4,518,731	5,025,820
Total (i + ii)	2,879,174,966	289,366,976	63,231,703	3,105,310,239	732,379,991	-	163,197,795	48,211,961	847,365,825	2,257,944,414	2,146,794,975
(iii) Capital Work in- Progress	-	-	-	-	-	-	-	-	-	42,405,556	76,553,678
Previous Year	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

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>12. Non Current Investments (Unquoted - At Cost)</b>		
<b>Trade Investment (Long Term) :</b>		
(a) Investment in subsidiary		
Equity Shares :		
51,00,000 (Nil) equity shares of ₹ 10/- each fully paid of Anjani Tiles Limited	51,000,000	-
1% Cumulative Redeemable Preference Shares :		
1,45,40,000 (Nil) Preference shares of ₹ 10/- each fully paid of Anjani Tiles Limited	145,400,000	-
<b>Sub-Total</b>	<b>196,400,000</b>	<b>-</b>
(b) Other Non Current Investment		
Government securities (Deposited with Government Departments)		
National Savings Certificates	13,000	13,000
<b>Sub-Total</b>	<b>13,000</b>	<b>13,000</b>
<b>Total</b>	<b>196,413,000</b>	<b>13,000</b>

	As at 31st March, 2016	As at 31st March, 2015
<b>13. Long Term Loans and Advances</b>		
a. Capital Advances - Unsecured-considered good	<b>74,630,688</b>	80,363,530
b. Security Deposits - Unsecured-considered good	<b>18,285,607</b>	16,444,552
c. Advance Income Tax (including for earlier years)	<b>274,881,780</b>	223,357,372
<b>Total</b>	<b>367,798,075</b>	320,165,454
<b>14. Current Investments (Unquoted-Non Trade)</b>		
<i>Investments in Fixed Maturity Plan (FMP) (in Units)</i>		
0.0000 (999990.0000) ICICI Prudential FMP Series 71-480 Days Plan L Regular Plan Cumulative	-	9,999,900
0.0000 (1000190.0000) LIC Nomura MF FMP Series 79-373 Days - Growth Plan -L9 -GP	-	10,001,900
0.0000 (1000090.0000) UTI FMP - Yearly FMP Series-March 2014-YFMP(03/2014)-Growth Plan	-	10,000,900
0.0000 (2000000.0000) L & T FMP Series -10- PLAN T- Growth	-	20,000,000
0.0000 (2000000.0000) T 47 CG Tata FMP Series 47 Scheme C -Plan A -Growth -INF277K01ZB9	-	20,000,000
0.0000 (4000000.0000) UTI Fixed Income Fund Series - XIX (369 days) - Growth Plan	-	40,000,000
<i>Investments in Mutual Funds (in Units)</i>		
0.0000 (996420.1770) Prudential Saving Fund - Regular Plan - Daily Dividend	-	100,191,757
15554838.3210(14803176.3310) LIC Nomura MF Saving Plus Fund - Daily Dividend plan	<b>158,054,268</b>	150,416,555
0.0000 (5769896.5270) Reliance Income Fund - Monthly Dividend Plan- Dividend Payout	-	60,000,000
0.0000 (4997257.5620) Sundaram Ultra Short Term Fund - Regular Daily Dividend	-	50,157,474
0.0000 (2905.4100) ICICI Prudential Liquid Regular Plan - Growth	-	600,000
0.0000 (72780.1500) ICICI Prudential Equity Arbitrage Fund - Regular Dividend	-	1,004,081
49458.1320 (49458.1320) Kotak Equity Arbitrage Fund - Bi Monthly Dividend	<b>999,900</b>	999,900
81463.1270 (76765.2800) SBI Arbitrage Opportunities Fund - Regular Plan Dividend	<b>1,066,879</b>	1,005,345
0.0000 (3232.8300) Birla Sun Life Floating Rate Fund Short term Plan fund	-	600,000
0.0000 (212.2239) Kotak Liquid Scheme Plan A - Growth	-	600,000
18598.8770 (18598.8770) HDFC Balanced Fund - Growth	<b>1,999,900</b>	1,999,900
233238.8390 (0.0000) ICICI Balance Advantage Fund - Regular Dividend	<b>6,124,852</b>	-
200000.0000 (0.0000) JP Morgan India Balanced Advantage Fund - Regular Growth	<b>2,000,000</b>	-
3768.9490 (0.0000) Birla Sun life frontline Equity Fund - Growth - Regular Plan	<b>600,000</b>	-
21004.4180 (0.0000) ICICI Prudential Focussed Bluechip Equity Fund - Growth	<b>600,000</b>	-
26450.4680 (0.0000) Kotak Select Focus Fund - Growth (Regular Plan)	<b>600,000</b>	-
1837195.1170 (0.0000) HDFC Short Term Plan - Growth	<b>50,000,000</b>	-
760418.6870 (0.0000) B32 Birla Sun Life Short Term Fund - Growth - Regular Plan	<b>40,000,000</b>	-
63212.4860 (0.0000) L27SG SBI Premier Liquid Fund -Regular Plan - Growth	<b>150,000,000</b>	-
8789.9584 (0.0000) Kotak Floater Short Term -Growth (Regular Plan)	<b>21,500,000</b>	-
95193.8870 (0.0000) ICICI Prudential Liquid Plan -Growth	<b>21,000,000</b>	-
6969.0010 (0.0000) HDFC Liquid Fund Growth	<b>20,500,000</b>	-
	<b>475,045,799</b>	477,577,712
Less : Provision for diminution in the value of Investments	<b>330,211</b>	12,921
<b>Total</b>	<b>474,715,588</b>	477,564,791
<b>15. Inventories</b>		
a. Raw Materials and components	<b>139,540,120</b>	142,702,020
b. Stock-in-process	<b>41,422,708</b>	32,182,780
c. Finished goods	<b>1,059,635,209</b>	1,001,802,175
d. Stores and spares	<b>81,225,375</b>	82,226,963
<b>Total</b>	<b>1,321,823,412</b>	1,258,913,938
<b>16. Trade Receivables (Unsecured-Considered Good)</b>		
Outstanding over six months	<b>139,161,615</b>	71,143,483
Others	<b>1,745,130,275</b>	1,541,086,601
<b>Total</b>	<b>1,884,291,890</b>	1,612,230,084
<b>17. Cash and Cash equivalents</b>		
Cash on hand	<b>1,356,716</b>	1,240,383
Balances with banks	<b>201,956,175</b>	115,135,059
Unclaimed Dividend Bank Accounts	<b>5,988,378</b>	4,910,820
Balances with banks held as margin money	<b>21,599,017</b>	15,518,618
Fixed Deposits with Banks & others *	<b>363,017,093</b>	158,486,307
<b>Total</b>	<b>593,917,379</b>	295,291,187
*Bank Deposits maturing after 12 months	<b>8,472,126</b>	85,536



	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>18. Short-term loans and advances (Unsecured-Considered Good)</b>		
Balances with Customs and Central Excise Authorities	18,343,750	47,559,402
Others*	291,969,928	204,629,837
<b>Total</b>	<b>310,313,678</b>	<b>252,189,239</b>
* Includes advances to sundry creditors, employees and tax credits available.		
<b>19. Other current assets</b>		
Interest accrued and receivable	15,891,009	2,573,966
Miscellaneous Expenditure (Not written off)	-	80,550
<b>Total</b>	<b>15,891,009</b>	<b>2,654,516</b>
	<b>2015-16</b>	<b>2014-15</b>
	₹	₹
<b>20. Revenue from Sale of Goods</b>		
Revenue from Sale of Goods	9,770,727,193	8,579,948,789
Less : Excise duty	433,857,494	363,271,729
<b>Net Sales</b>	<b>9,336,869,699</b>	<b>8,216,677,060</b>
<u>Particulars of Sale of Goods</u>		
Vitreous China Sanitaryware, Faucetware, Fittings, Tiles & Allied products	9,764,502,444	8,575,964,229
Others	6,224,749	3,984,560
<b>Total</b>	<b>9,770,727,193</b>	<b>8,579,948,789</b>
<b>21. Other Income</b>		
Interest Income	30,690,288	13,816,145
Dividend Income	10,100,277	1,449,191
Net gain on sale of Investments	14,234,518	64,427
Export Incentive	1,492,531	965,257
Claims Received	15,696,638	27,203,766
Foreign Exchange Fluctuation	-	1,974,587
Miscellaneous Income	7,604,509	8,365,614
Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	19,887,754	12,031,709
<b>Total</b>	<b>99,706,515</b>	<b>65,870,696</b>
<b>22. Cost of Materials Consumed</b>		
Opening Stock	142,702,020	120,386,784
Add : Purchases (Net of Transfers)	758,897,196	731,022,629
	<b>901,599,216</b>	<b>851,409,413</b>
Less : Closing Stock	139,540,120	142,702,020
<b>Total</b>	<b>762,059,096</b>	<b>708,707,393</b>
<u>Particulars of Cost of Materials Consumed</u>		
Sand, Sandstone, Clays & Chemicals	283,511,274	323,310,474
Accessories & Fittings	28,874,176	19,660,403
Brass ingots and components	449,673,646	365,736,516
<b>Total</b>	<b>762,059,096</b>	<b>708,707,393</b>
<b>23. Purchases</b>		
Purchases	3,712,401,265	3,321,574,229
<b>Total</b>	<b>3,712,401,265</b>	<b>3,321,574,229</b>
<u>Particulars of Purchase of Goods</u>		
Vitreous China Sanitaryware, Faucetware, Fittings, Tiles & Allied products	3,712,401,265	3,321,574,229

	2015-16 ₹	2014-15 ₹	
<b>24. (Increase) / Decrease in Finished Goods and Stock-in-Process</b>			
<b>Stock at Commencement</b>			
Finished Goods	1,001,802,175	821,664,765	
Stock-in-Process	32,182,780	24,894,806	
	<u>1,033,984,955</u>	<u>846,559,571</u>	
<b>Stock at Close</b>			
Finished Goods	1,059,635,209	1,001,802,175	
Stock-in-Process	41,422,708	32,182,780	
	<u>1,101,057,917</u>	<u>1,033,984,955</u>	
<b>Total</b>	<u>(67,072,962)</u>	<u>(187,425,384)</u>	
<b>25. Employees Benefit Expenses</b>			
Salaries, Wages and Bonus	981,555,592	809,969,993	
Contributions to Provident and other Funds	80,516,655	67,393,695	
Staff and Labour Welfare Expenses	48,053,475	40,001,250	
<b>Total</b>	<u>1,110,125,722</u>	<u>917,364,938</u>	
<b>26. Finance Costs</b>			
<b>Interest Expenses</b>			
Interest on term loans	19,977,648	15,421,144	
Interest others	31,333,194	60,376,028	
Other borrowing costs	3,312,010	1,491,257	
<b>Total</b>	<u>54,622,852</u>	<u>77,288,429</u>	
<b>27. Other Expenses</b>			
Stores, Spares, Chemicals and Packing Materials Consumed	310,274,072	294,123,247	
Excise Duty (Net of Opening Provision)	3,755,871	21,282,065	
Rent	51,577,201	44,716,725	
Power and Fuel consumed	312,581,090	341,575,360	
Repairs - Plant and Machinery	19,859,167	11,708,424	
Repairs - Building	11,160,996	6,862,000	
Repairs - Others	8,134,797	8,187,346	
Insurance	10,642,360	9,101,805	
Rates and Taxes	1,682,538	2,441,774	
Freight and Forwarding Expenses (Net)	394,809,768	354,501,203	
Brokerage, Commission and Discounts on Sales	675,994,216	537,900,497	
Publicity & Advertisement Expenses	256,909,015	331,438,982	
Research & Development Expenses	9,811,983	10,174,611	
Bad Debts / Amount written off	1,982,885	3,404,364	
Miscellaneous Expenses	316,966,173	282,226,012	
Foreign Exchange Fluctuation	782,704	-	
Loss on Sale / Discard of Fixed Assets (Net)	977,739	11,520,853	
Provision for diminution in the value of Investments	317,290	12,921	
Donation	738,151	66,000	
Corporate Social Responsibility	16,442,535	8,722,653	
Director's Commission	1,200,000	1,200,000	
<b>Total</b>	<u>2,406,600,551</u>	<u>2,281,166,842</u>	
	<u>2015-16</u>	<u>2014-15</u>	
<b>28. Basic &amp; Diluted EPS</b>			
<b>Basic &amp; Diluted Earning per share</b>			
Profit attributable to the shareholders (₹)	A	834,641,895	676,645,090
Weighted average number of Equity shares outstanding during the year	B	13,005,874	12,680,838
Nominal Value of Equity share (₹)		5.00	5.00
Basic Earning per share (F.V. ₹ 5/- per share) (₹)	A/B	64.17	53.36
<b>Number of shares for Basic &amp; Dilutive EPS</b>			
Weighted average no. of Equity shares outstg. during the year for Basic EPS		13,005,874	12,680,838
Add : Dilutive potential Equity shares		-	-
Weighted average no. of Equity shares outstg. during the year for Dilutive EPS		13,005,874	12,680,838

	2015-16 (₹)	2014-15 (₹)
<b>29. Payments to the Auditors</b>		
a. As Auditors	345,000	300,000
b. For Taxation matters	140,000	220,000
c. For Other services	226,850	80,000
d. For Reimbursement of expenses	52,012	45,720
<b>Total</b>	<b>763,862</b>	<b>645,720</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**

	2015-16 (₹)	2014-15 (₹)
1. Raw Materials and Chemicals	63,676,007	78,015,069
2. Stores and Spare Parts & Fittings	21,921,598	31,805,628
3. Capital Goods	2,052,271	73,699,373
4. Purchases	746,417,717	637,060,772
<b>Total</b>	<b>834,067,593</b>	<b>820,580,842</b>

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

	2015-16	
a. Raw Materials	(₹)	%
1. Imported	71,609,054 (58,465,585)	9.40% (8.25%)
2. Indigenous	690,450,042 (650,241,807)	90.60% (91.75%)
b. Stores & Spare Parts		
1. Imported	16,685,248 (11,428,116)	16.38% (12.93%)
2. Indigenous	85,176,189 (76,990,572)	83.62% (87.07%)

**33. Expenditure in Foreign Currencies on account of**

	2015-16 (₹)	2014-15 (₹)
1. Travelling	5,772,347	5,212,142
2. Export Commission	1,469,499	998,413
3. Bank Charges	338,693	353,700
4. Technical know-how & Professional fees	2,963,391	2,837,727
5. Others	198,713	21,801

**34. Unhedged Foreign Currency Exposure**

Particulars	Currency	2015-16		2014-15	
		Foreign Currency	Equivalent INR	Foreign Currency	Equivalent INR
Trade Payables	USD	27,693	1,834,653	14,925	929,989
Trade Payables	EUR	-	-	29,868	1,999,341
Advance from Customers	USD	24,499	1,623,024	19,112	1,190,801
Trade Receivable	USD	129,533	8,581,428	158,681	9,887,077
Advance to Suppliers	USD	362,076	23,987,079	39,997	2,492,221
Advance to Suppliers	EUR	44,737	3,376,015	644	43,076
Bank Balance in EEFC Account	USD	192,816	12,773,837	29,487	1,837,232

35. Earnings in Foreign Exchange	2015-16 (₹)	2014-15 (₹)
Exports of Goods on F.O.B. Basis	80,146,385	63,660,207

## 36. Contingent liability in respect of :

	As on 31-03-2016 (₹)	As on 31-03-2015 (₹)
a. Claims against the Company not acknowledged as debts (Net of Payments).	13,266,300	17,582,820
b. Letters of Credit opened and guarantees given.	138,319,477	75,921,485
c. Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advance).	204,448,069	85,495,458
d. Contribution as Capital to Cera Sanitaryware Trading LLC at Dubai. (1 AED = ₹ 18.04)	3,157,000	-

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

38. Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the company as Lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

## 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 31st March, 2016.

## 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 Employees’ plans namely Employees’ 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:

	2015-16 (₹)	2014-15 (₹)
Provident fund	19,657,168	17,591,408
Employees’ Pension Scheme	18,652,973	15,241,437
ESIC	11,399,667	10,633,321
<b>Total</b>	<b>49,709,808</b>	<b>43,466,166</b>

## 3) Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2016

Particulars	2015-16		2014-15	
	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	107,982,554	51,065,283	90,663,719	41,888,071
Current service cost	12,158,550	7,358,648	9,752,111	6,154,653
Interest cost	8,662,272	4,096,415	7,026,438	3,246,326
Actuarial loss / (gain)	15,511,474	8,608,387	12,571,751	10,942,217
Benefits paid	(11,386,358)	(9,686,983)	(12,031,465)	(11,165,984)
Closing defined benefits obligation	132,928,492	61,441,750	107,982,554	51,065,283
<b>Change in Fair value of Assets</b>				
Opening fair value of plan assets	107,308,416		90,672,224	
Expected return on plan assets	9,611,205		7,671,750	
Actuarial gain / (loss)	(922,465)		(694,520)	
Contributions by employer	28,360,901		21,690,427	
Benefits paid	(11,386,358)		(12,031,465)	
Closing fair value of plan assets	132,971,699		107,308,416	
<b>Movement in net liability recognized in Balance Sheet</b>				
Net opening liability	674,138	51,065,283	(8,505)	41,888,071
P & L Charge	27,643,555	20,063,450	22,373,070	20,343,196
Contribution Paid	(28,360,901)	(9,686,983)	(21,690,427)	(11,165,984)
Closing Net (asset) / liability	(43,208)	61,441,750	674,138	51,065,283
<b>Expenses recognized in the Profit and Loss Account</b>				
Current Service cost	12,158,549	7,358,648	9,752,111	6,154,653
Interest on defined benefit obligation	8,662,272	4,096,415	7,026,438	3,246,326
Expected return on plan assets	(9,611,205)	-	(7,671,750)	-
Net actuarial loss / (gain) recognized in the current year	16,433,939	8,608,387	13,266,271	10,942,217
Total Expenses	27,643,555	20,063,450	22,373,070	20,343,196
<b>Assets Information</b>				
Government of India Securities	32.67%		35.85%	
Corporate Bonds	53.62%		52.85%	
Special Deposits Scheme	0.74%		0.95%	
Others/ Insurance Co.	12.97%		10.35%	
<b>Principal actuarial assumption</b>				
Discount Rate (p.a.)	8.00%	8.00%	7.75%	7.75%
Expected rate of return on plan assets (p.a.)	8.00%		7.75%	
Annual Increase in Salary costs	6.00%	6.00%	5.50%	5.50%
Effect on the aggregate Service Cost & interest cost	-		-	
Effect on defined benefit obligation	-		-	

- (4) The Company has provided upto 31.03.2016 ₹ 614.42 Lacs (₹ 510.65 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, 2016.

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	- (-)	<b>107,922,510</b> (93,268,872)	<b>4,254,994</b> (3,447,480)	<b>112,177,504</b> (96,716,352)
Lease Rent / Rent	<b>9,269,283</b> (8,545,835)	- (-)	- (-)	<b>9,269,283</b> (8,545,835)
Other Services	<b>2,037,524</b> (3,299,748)	<b>1,350,000</b> (1,200,000)	- (-)	<b>3,387,524</b> (4,499,748)
Donation / Other Expenses	<b>13,800,000</b> (6,650,000)	- (-)	- (-)	<b>13,800,000</b> (6,650,000)
<b>Finance</b> - Rent Deposit paid	- (115,200)	- (-)	- (-)	- (115,200)
- Investment in Subsidiary	<b>196,400,000</b> (-)	- (-)	- (-)	<b>196,400,000</b> (-)
<b>Balance at the end of the year</b>				
Rent Deposit	<b>1,946,000</b> (1,946,000)	- (-)	- (-)	<b>1,946,000</b> (1,946,000)

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

1. Subsidiary	Anjani Tiles Limited	
2. Associates	Madhusudan Industries Ltd. Cera Foundation Indian Council of Sanitaryware Manufactures	Vikram Investment Co. Ltd. Swadeshi Fan Ind. Ltd. Madhusudan Holdings 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	2015-16 (₹)	2014-15 (₹)
<b>Sales</b> : Goods & Materials		
Madhusudan Industries Ltd.	-	2483
<b>Expenses</b>		
Lease Rent / Rent		
Madhusudan Industries Ltd.	<b>9,269,283</b>	8,545,835
Other Services		
Madhusudan Industries Ltd.	<b>1,692,030</b>	1,746,388
Swadeshi Fan Industries Ltd.	<b>206,100</b>	215,860
Indian Council of Sanitaryware Manufactures	<b>10,500</b>	1,337,500
Cera Foundation	<b>128,894</b>	-
Donation		
Cera Foundation	<b>13,800,000</b>	6,650,000
<b>Finance</b>		
Investment in Subsidiary		
Anjani Tiles Limited	<b>196,400,000</b>	-
Rent Deposit Paid		
Madhusudan Industries Ltd.	-	115,200

41. The Company is to apply 2% of average net profits towards Corporate Social Responsibility (CSR) as per section 135 of the Companies Act, 2013. The Company has utilised during the year 2015-16 ₹ 165.81 Lacs (previous year ₹ 87.89 Lacs) for CSR activities.
42. a) The Company has entered into Joint Venture through a Subsidiary Company, Anjani Tiles Limited, incorporated under the Companies Act, 2013 into tiles manufacturing business in Andhra Pradesh. The estimated project cost is ₹ 68 crores. Anjani Tiles Limited has commenced manufacturing tiles from 1<sup>st</sup> April, 2016. CERA has invested ₹ 5.10 crores by taking 51,00,000 Equity Shares and ₹ 14.54 crores in 1% Cummulative Redeemable Preference Shares of ₹ 10/- each.
- b) The Company has entered into a Memorandum of Understanding with foreign partners to invest and participate in Joint Venture to expand company's business in UAE. Company has joined with 25% share in "Cera Sanitaryware Trading LLC", a limited liability Company in UAE - Dubai, on 21<sup>st</sup> December, 2015 for Tiles, Flooring materials and Sanitaryware trading.
- c) The Company has entered into a Memorandum of Understanding with foreign partners to invest and participate in Joint Venture to expand company's business in Sharjah. Company has joined with 50% share in "Cera Sanitaryware Limited FZC", a limited liability Company at Hamriyah Free Zone Authority of Government of Sharjah for Tiles, Flooring materials and Sanitaryware trading.
43. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.

Particulars	2015-16 ₹	2014-15 ₹
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.		
i) Principal	<b>45,001,147</b>	136,478,512
ii) Interest	-	-
b) The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year	-	-

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

As per our report of even date attached

For and on behalf of

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

Chartered Accountants

**Tushar H. Vasa**

Membership No. 16831

Place : Kolkata

Date : 3<sup>rd</sup> May, 2016

**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)

**Narendra N. Patel**  
President & Company Secretary

**Vikram Somany** Chairman and Managing Director

**Deepshikha Khaitan** Director

**Sajan Kumar Pasari** Director

**Lalit Kumar Bohania** Director

**Atul Sanghvi** Executive Director

**Annexure - I : Significant accounting policies and practices :****(Annexed to and forming part of the financial statements for the year ended 31st March, 2016)****\* 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.

**\* Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

**\* Revenue Recognition:**

Revenue is recognized when consideration can be measured reliably and there exist reasonable certainty of its recovery.

**(a) Sales**

Revenue is recognized when significant risk and rewards of ownership of the goods have been passed on to the buyer.

- In case of Domestic Sales : On dispatch of products to customers.
- In case of Export Sales : On the basis of Bill of lading.

Sales include excise duty and net of discounts, Vat and sales return, as applicable. Sales exclude self-consumption of products.

**(b) Service Income**

Service income is recognized as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax, wherever applicable.

**(c) Dividend Income**

Dividend income is recognized when the unconditional right to receive the income is established.

**(d) Interest Income**

Interest income is recognized on time proportionate method.

**(e) Others**

Other Income is accounted on accrual basis except where the receipt of income is uncertain.

**\* Employee Benefits**

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

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

(c) Leave encashment is recognized 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 capitalized.

**(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. Depreciation on capital work in progress commences when assets are ready for their intended use and transferred from capital work in progress group to tangible fixed assets group.

(c) Assets acquired under hire purchase installment credit scheme, the cost of asset is capitalized while the annual financial charges at equated installments 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:

(i) 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.

(ii) 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.

(g) Intangible Assets : Expenditure on Computer Software is amortized on written down value method over the period of expected benefits not exceeding three years.



\* **Inventories**

- (a) Raw-materials, Packing Materials, Stores and Chemicals are taken at lower of cost and net realizable value following FIFO method. Cost (Net of CENVAT and Input Tax Credit Availed) of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods & Stock-in-process is determined on FIFO basis.
- (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.

\* **Leases:**

- (a) Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

- (b) Finance Lease :

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of profit and loss.

\* **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 recognized 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 capitalized as part of fixed assets.

Derivative transactions are considered as off-balance sheet items and cash flows arising therefrom are recognized 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 a qualifying assets are capitalized as part of the cost of such asset till the time the asset is ready for the intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

\* **Intangible Assets:**

Intangible assets are recognized if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably in accordance with the notified Accounting Standard-26.

\* **Provisions and Contingent Liabilities:**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statement.

\* **Taxation**

Provision for tax for the year comprises current Income-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 amortization 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.

## Independent Auditors' Report

To,  
The Members of Cera Sanitaryware Limited

about whether the consolidated financial statements are free from material misstatement.

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of CERA SANITARYWARE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary Company (the Holding Company and its subsidiary company together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The Board of Directors of the Holding company is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.
4. 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

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

8. We did not audit the financial statements / financial information of Anjani Tiles Ltd. subsidiary, whose financial statements / financial information reflect total assets of ₹ 76.66 Crores as at 31<sup>st</sup> March, 2016, total revenues of ₹ NIL and net cash flows amounting to ₹ 0.65 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the 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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A
  - (g) 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 consolidated financial statements disclosed the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group refer Note No.35.
    - ii. The Holding Company, its Subsidiary company did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

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

Place : Ahmedabad  
Date : 3<sup>rd</sup> May, 2016

**The Annexure – A to Independent Auditors' Report**

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of CERA SANITARYWARE LIMITED on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2016.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Cera Sanitaryware Limited ("the Holding Company") and its subsidiary as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

**Auditors Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to and audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditor in terms of their report referred to in the matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company, its subsidiary Company and in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to One subsidiary Company, is based on the corresponding reports of the auditors of such company. Our opinion is not qualified in respect of this matter.

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

Place : Ahmedabad  
Date : 3<sup>rd</sup> May, 2016

## Consolidated Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 ₹
<b>I EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
(a) Share Capital	1	65,029,370
(b) Reserves and Surplus	2	4,144,774,458
		<u>4,209,803,828</u>
<b>2. Minority Interest</b>		
		163,985,736
<b>3. Non - current Liabilities</b>		
(a) Long-term Borrowings	3	369,131,711
(b) Deferred Tax Liabilities (Net)	4	343,928,721
(c) Other Long-term Liabilities	5	98,349,086
(d) Long-term Provisions	6	402,382,982
		<u>1,213,792,500</u>
<b>4. Current Liabilities</b>		
(a) Short-term Borrowings	7	208,458,483
(b) Trade Payables	8	
(i) Micro, Small & Medium Enterprises (Refer Note no. 41)		45,001,147
(ii) Others		615,212,466
(c) Other Current Liabilities	9	1,292,583,914
(d) Short-term Provisions	10	286,914,578
		<u>2,448,170,588</u>
<b>Total</b>		<u><u>8,035,752,652</u></u>
<b>II ASSETS</b>		
<b>1. Non-current Assets</b>		
(a) Fixed Assets		
(i) Tangible Assets	11	2,293,230,403
(ii) Intangible Assets	11	4,544,754
(iii) Capital Work-in-progress	11	651,142,878
(iv) Intangible Assets under development	11	-
(b) Non-current Investments	12	13,000
(c) Long-term Loans and Advances	13	371,548,075
		<u>3,320,479,110</u>
<b>2. Current Assets</b>		
(a) Current Investments	14	474,715,588
(b) Inventories	15	1,357,192,264
(c) Trade Receivables	16	1,884,291,890
(d) Cash and Cash equivalents	17	600,481,782
(e) Short-term Loans and Advances	18	382,659,049
(f) Other Current Assets	19	15,932,969
		<u>4,715,273,542</u>
<b>Total</b>		<u><u>8,035,752,652</u></u>

Significant Accounting Policies

Notes to Accounts on Financial Statements

29 to 42

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

**Rajesh B. Shah**

CFO &amp; COO (Fin. &amp; Comm.)

**Narendra N. Patel**

President &amp; Company Secretary

**Vikram Somany**

Chairman and Managing Director

**Deepshikha Khaitan**

Director

**Sajan Kumar Pasari**

Director

**Lalit Kumar Bohania**

Director

**Atul Sanghvi**

Executive Director

Place : Kolkata

Date : 3<sup>rd</sup> May, 2016

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	2015-16 ₹
I Revenue from Sale of Goods	20	9,770,727,193
Less : Excise duty		433,857,494
<b>Net Sales</b>		<b>9,336,869,699</b>
II Other Income	21	99,706,515
III <b>Total Revenue (I + II)</b>		<b>9,436,576,214</b>
IV Expenses :		
Cost of Materials Consumed	22	762,059,096
Purchases	23	3,712,401,265
Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-Trade	24	(67,072,962)
Employee Benefits Expenses	25	1,110,125,722
Finance Costs	26	54,622,852
Depreciation and Amortization Expenses		163,197,795
Other Expenses	27	2,406,600,551
<b>Total Expenses</b>		<b>8,141,934,319</b>
V Profit before tax (III-IV)		1,294,641,895
VI Tax expense:		
(1) Current tax (including for earlier years)		394,312,181
(2) Deferred tax		65,687,819
		<b>460,000,000</b>
VII Profit for the period (V - VI)		<b>834,641,895</b>
VIII Earnings per equity share of face value of ₹ 5/- each		
Basic & Diluted	28	64.17
Significant Accounting Policies Notes to Accounts on Financial Statements	29 to 42	

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 : Kolkata

Date : 3<sup>rd</sup> May, 2016**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany**

Chairman and Managing Director

**Deepshikha Khaitan**

Director

**Sajan Kumar Pasari**

Director

**Lalit Kumar Bohania**

Director

**Atul Sanghvi**

Executive Director

## Consolidated Cash Flow Statement for the year ended 31st March, 2016

Particulars	Year ended March 31, 2016	
	₹	₹
<b>A. Cash flow from operating activities</b>		
Net Profit before tax		1,294,641,895
Adjusted for		
Depreciation	163,197,795	
Foreign Exchange (loss) / gain	(782,704)	
Provision for diminution in value of Investments	317,290	
Interest Charged	51,310,842	
Interest received	(30,690,288)	
Dividend received	(10,100,277)	
Foreign Exchange Variation (Income) / Loss	782,704	
Profit on Sale of Investments	(14,234,518)	
Amortisation of Lease hold Land	59,870	
(Profit) / Loss on Sale of Fixed Assets (Net)	977,739	
		<u>160,838,453</u>
Operating profit before working capital changes		1,455,480,348
Adjustments for changes in working capital		
Inventories	(98,278,326)	
Trade and other Receivable	(272,061,806)	
Short-term loans and advances	(130,422,906)	
Other Current Assets	(13,278,453)	
Long-term loans and advances	141,787	
Trade Payable	173,662,416	
Short Term Provision	22,622,634	
Other Current Liabilities	293,850,497	
Long Term Provisions	314,786	
Other Long Term Liabilities	5,654,890	
		<u>(17,794,481)</u>
Cash generated from operations		1,437,685,867
Direct taxes paid		(299,706,091)
Net cash from operating activities: Total (A)		<u>1,137,979,776</u>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(903,786,919)	
Proceeds from sale of fixed assets	13,982,132	
Purchase of Current Investments	(320,624,099)	
Sale of Current Investments	337,390,530	
Interest received	30,690,288	
Dividend received	10,100,277	
Net cash used in investing activities: Total (B)		<u>(832,247,791)</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital by Subsidiary	163,600,000	
Right issue expenses	-	
Proceeds from borrowings/Repayment of Loan	(14,995,812)	
Dividend paid	(81,286,713)	
Tax on distributed profit	(16,548,023)	
Interest paid	(51,310,842)	
Net cash used in financing activities: Total (C)		<u>(541,390)</u>
<b>Net changes in cash &amp; cash equivalents (A+B+C)</b>		<u>305,190,595</u>
<b>Cash &amp; cash equivalent-Opening Balance</b>		295,291,187
<b>Cash &amp; cash equivalent-Closing Balance</b>		<u>600,481,782</u>

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 : Kolkata

Date : 3<sup>rd</sup> May, 2016**Rajesh B. Shah**  
CFO & COO (Fin. & Comm.)**Narendra N. Patel**  
President & Company Secretary**Vikram Somany** Chairman and Managing Director**Deepshikha Khaitan** Director**Sajan Kumar Pasari** Director**Lalit Kumar Bohania** Director**Atul Sanghvi** Executive Director

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

		As at 31st March, 2016 ₹
<b>1. Share Capital</b>		
<b>A Authorised, Issued, Subscribed &amp; Paid up Share Capital</b>		
<b>Authorised</b>		
2,00,00,000 Equity Shares of ₹ 5/- each		100,000,000
<b>Total</b>		<u>100,000,000</u>
<b>Issued, Subscribed &amp; Paid Up</b>		
1,30,05,874 Equity Shares of ₹ 5/- each fully paid up		65,029,370
<b>Total</b>		<u>65,029,370</u>

**Terms / rights attached to Equity Shares :**

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 Issue of Bonus Shares</b>	As at 31st March, 2016 No. of Shares
Equity Shares allotted as fully paid by way of Bonus Shares 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.	6,327,437

<b>C Reconciliation of the number of Equity Shares outstanding is set out below :</b>	As at 31st March, 2016 No. of Shares
<b>Particulars</b>	
Shares at the beginning of the year	13,005,874
Add : Issued during the year	-
Shares outstanding at the end of the year	13,005,874

<b>D Details of shareholders holding more than 5% of the aggregate shares :</b>	As at 31st March, 2016	
	No. of Shares held	% of Holding
<b>Name of Shareholder</b>		
Vikram Investment Co. Ltd.	2,900,275	22.30%
Shri Vikram Somany	1,045,847	8.04%
Smt Smiti Somany	1,542,240	11.86%



## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

	As at 31st March, 2016 ₹
<b>2. Reserves &amp; Surplus</b>	
<b>a. Securities Premium Reserve</b>	
As per last Balance Sheet	809,593,606
Add : On issue of shares	-
Balance at the end of the year	<u>809,593,606</u>
<b>b. General Reserve</b>	
As per last Balance Sheet	2,142,445,003
Less : Depreciation on assets for period prior to 31.03.2014	-
Add : Transferred from Profit & Loss Account	393,121,585
Balance at the end of the year	<u>2,535,566,588</u>
<b>c. Profit &amp; Loss Account</b>	
As per last Balance Sheet	500,000,000
Add : Net Profit for the year	834,641,895
Less : Proposed Dividends ₹ 9/- per share	(117,371,912)
Tax on Dividend	(24,534,134)
Transfer to Reserves	(393,121,585)
Balance at the end of the year	<u>799,614,264</u>
<b>Total</b>	<u><u>4,144,774,458</u></u>
<b>3. Long Term Borrowings</b>	
<b>Secured :</b>	
<b>Term Loans from Banks :</b> (Refer Note no-9(a))	
<b>(i) From State Bank of India</b>	18,000,000
(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>	35,353,535
Secured by mortgage of property at Acropolis Mall at Ahmedabad, (Repayable in 36 monthly installments, from December, 2014 to November, 2017).	
<b>(iii) From Federal Bank</b>	315,778,176
Secured by mortgage of Company's land at survey No. 522/3, 524, 526 at Eguva Raju Palem Village, Guduru, Nellore Dist. (Repayable in 22 quarterly installments, from April, 2017 to September, 2023).	
<b>Total</b>	<u><u>369,131,711</u></u>
<b>4. Deferred Tax Liability (Net)</b>	
Deferred Tax Liabilities on account of :	
Depreciation (including of earlier years)	365,210,931
Deferred Expenses	55,753
	<u>365,266,684</u>
Less : Deferred Tax Assets on account of :	
Expenses allowable on payment basis	21,337,963
<b>Total</b>	<u><u>343,928,721</u></u>
<b>5. Other Long Term Liabilities</b>	
Deposits by Dealers	95,344,144
Other liabilities	3,004,942
<b>Total</b>	<u><u>98,349,086</u></u>
<b>6. Long Term Provisions</b>	
(a) Provision for employees' benefits	314,786
(b) Provision for Taxation	402,068,196
<b>Total</b>	<u><u>402,382,982</u></u>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

		As at 31st March, 2016 ₹
<b>7. Short Term Borrowings</b>		
Secured :		
(a) Working Capital Loans from Bank		208,458,483
From State Bank of India (Secured by hypothecation of Current Assets, Windmills at Kadoli, Lamba, Patelka and Kalyanpur and mortgage of Fixed Assets situated at 9, GIDC Industrial Estate and Residential Colony at Kadi).		
<b>Total</b>		<b>208,458,483</b>
<b>8. Trade Payable</b>		
Due to Micro, Small & Medium Enterprises (Refer Note no - 41)		45,001,147
Others		615,212,466
<b>Total</b>		<b>660,213,613</b>
<b>9. Other Current Liabilities</b>		
(a) Current maturities of long term debts (Refer Note no - 3)		89,030,303
(b) Unclaimed dividends*		5,988,378
(c) Unpaid matured deposits and interest accrued thereon		162,882
(d) Other payables**		1,197,402,351
<b>Total</b>		<b>1,292,583,914</b>
* Amount to be transferred to the Investor education and protection fund shall be determined on respective due dates.		
** Includes statutory dues, Advance received from customers, amounts payable to Employees.		
<b>10. Short Term Provisions</b>		
(a) Provision for employees' benefits		145,394,268
(b) Others		
- Proposed Dividend		117,052,866
- Tax on Dividend		24,467,444
<b>Total</b>		<b>286,914,578</b>
<b>11. Fixed Assets</b>		

Description	Gross Block				Depreciation / Amortisation				Net Block
	As at 1st April 2015 ₹	Additions / Adjustments ₹	Deductions / Adjustments ₹	Balance as at 31st March 2016 ₹	As at 1st April 2015 ₹	For the year ₹	Deductions / Adjustments ₹	Upto 31st March 2016 ₹	As at 31st March 2016 ₹
<b>(i) TANGIBLE ASSETS :</b>									
<b>a Owned Assets :</b>									
Leasehold Land	1,226,424	-	59,870	1,166,554	-	-	-	-	1,166,554
Freehold Land	49,443,565	37,643,700	-	87,087,265	-	-	-	-	87,087,265
Buildings	728,444,112	107,436,171	-	835,880,283	206,563,332	54,730,983	-	261,294,315	574,585,968
Plant & Machinery	1,911,565,907	130,589,832	54,471,962	1,987,683,777	410,752,223	72,741,599	41,318,180	442,175,642	1,545,508,135
Furniture & Fixtures	109,649,191	34,084,039	2,075,728	141,657,502	63,513,257	23,318,584	1,739,895	85,091,946	56,565,556
Vehicles	52,820,958	16,322,245	6,624,143	62,519,060	30,552,190	8,803,831	5,153,886	34,202,135	28,316,925
<b>b LEASED ASSETS :</b>									
Vehicles (Transfer to Vehicles on Completion of Loan)	-	-	-	-	-	-	-	-	-
<b>Sub - Total ( i )</b>	<b>2,853,150,157</b>	<b>326,075,987</b>	<b>63,231,703</b>	<b>3,115,994,441</b>	<b>711,381,002</b>	<b>159,594,997</b>	<b>48,211,961</b>	<b>822,764,038</b>	<b>2,293,230,403</b>
<b>(ii) INTANGIBLE ASSETS :</b>									
Computer Software	26,024,809	3,415,041	-	29,439,850	20,998,989	3,896,107	-	24,895,096	4,544,754
<b>Sub -Total ( ii )</b>	<b>26,024,809</b>	<b>3,415,041</b>	<b>-</b>	<b>29,439,850</b>	<b>20,998,989</b>	<b>3,896,107</b>	<b>-</b>	<b>24,895,096</b>	<b>4,544,754</b>
<b>(iii) Less : Depreciation of Anjani Tiles Ltd. transferred to Capital Work-in-Progress</b>						(293,309)			
<b>Total ( i + ii + iii)</b>	<b>2,879,174,966</b>	<b>329,491,028</b>	<b>63,231,703</b>	<b>3,145,434,291</b>	<b>732,379,991</b>	<b>163,197,795</b>	<b>48,211,961</b>	<b>847,659,134</b>	<b>2,297,775,157</b>
<b>(iv) Capital Work -in- Progress</b>									<b>651,142,878</b>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

		As at 31st March, 2016 ₹
<b>12. Non Current Investments (Unquoted - At Cost)</b>		
Government securities (Deposited with Government Departments)		
	National Savings Certificates	13,000
	<b>Total</b>	<b>13,000</b>
<b>13. Long Term Loans and Advances</b>		
a.	Capital Advances - Unsecured-considered good	74,630,688
b.	Security Deposits - Unsecured-considered good	22,035,607
c.	Advance Income Tax (including for earlier years)	274,881,780
	<b>Total</b>	<b>371,548,075</b>
<b>14. Current Investments (Unquoted-Non Trade)</b>		
<u>Investments in Mutual Funds (in Units)</u>		
15554838.3210	LIC Nomura MF Saving Plus Fund - Daily Dividend Plan	158,054,268
49458.1320	Kotak Equity Arbitrage Fund - Bi Monthly Dividend	999,900
81463.1270	SBI Arbitrage Opportunities Fund - Regular Plan Dividend	1,066,879
18598.8770	HDFC Balanced Fund - Growth	1,999,900
233238.8390	ICICI Balance Advantage Fund - Regular Dividend	6,124,852
200000.0000	JP Morgan India Balanced Advantage Fund - Regular Growth	2,000,000
3768.9490	Birla Sun life frontline Equity Fund - Growth - Regular Plan	600,000
21004.4180	ICICI Prudential Focussed Bluechip Equity Fund - Growth	600,000
26450.4680	Kotak Select Focus Fund - Growth (Regular Plan)	600,000
1837195.1170	HDFC Short Term Plan - Growth	50,000,000
760418.6870	B32 Birla Sun Life Short Term Fund - Growth - Regular Plan	40,000,000
63212.4860	L27SG SBI Premier Liquid Fund - Regular Plan - Growth	150,000,000
8789.9584	Kotak Floater Short Term - Growth (Regular Plan)	21,500,000
95193.8870	ICICI Prudential Liquid Plan - Growth	21,000,000
6969.0010	HDFC Liquid Fund Growth	20,500,000
		<b>475,045,799</b>
	Less : Provision for diminution in the value of Investments	330,211
	<b>Total</b>	<b>474,715,588</b>
<b>15. Inventories</b>		
a.	Raw Materials and components	159,742,329
b.	Stock-in-process	41,422,708
c.	Finished goods	1,059,635,209
d.	Stores and spares	96,392,018
	<b>Total</b>	<b>1,357,192,264</b>
<b>16. Trade Receivables (Unsecured-Considered Good)</b>		
	Outstanding over six months	139,161,615
	Others	1,745,130,275
	<b>Total</b>	<b>1,884,291,890</b>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

	As at 31st March, 2016 ₹
<b>17. Cash and Cash equivalents</b>	
Cash on hand	1,505,416
Balances with banks	202,064,147
Unclaimed Dividend Bank Accounts	5,988,378
Balances with banks held as margin money	22,899,017
Fixed Deposits with Banks & others *	368,024,824
<b>Total</b>	<b>600,481,782</b>
*Bank Deposits maturing after 12 months	8,472,126
<b>18. Short-term loans and advances (Unsecured-Considered Good)</b>	
Balances with Customs and Central Excise Authorities	73,679,746
Others*	308,979,303
<b>Total</b>	<b>382,659,049</b>
* Includes advances to sundry creditors, employees and tax credits available.	
<b>19. Other current assets</b>	
Interest accrued and receivable	15,932,969
Miscellaneous Expenditure (Not written off)	-
<b>Total</b>	<b>15,932,969</b>
	2015-16 ₹
<b>20. Revenue from Sale of Goods</b>	
Revenue from Sale of Goods	9,770,727,193
Less : Excise duty	433,857,494
<b>Net Sales</b>	<b>9,336,869,699</b>
<b>Particulars of Sale of Goods</b>	
Vitreous China Sanitaryware, Faucetware, Fittings, Tiles & Allied products	9,764,502,444
Others	6,224,749
<b>Total</b>	<b>9,770,727,193</b>
<b>21. Other Income</b>	
Interest Income	30,690,288
Dividend Income	10,100,277
Net gain on sale of Investments	14,234,518
Export Incentive	1,492,531
Claims Received	15,696,638
Miscellaneous Income	7,604,509
Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	19,887,754
<b>Total</b>	<b>99,706,515</b>
<b>22. Cost of Materials Consumed</b>	
Opening Stock	142,702,020
Add : Purchases (Net of Transfers)	758,897,196
	901,599,216
Less : Closing Stock	139,540,120
<b>Total</b>	<b>762,059,096</b>
<b>Particulars of Cost of Materials Consumed</b>	
Sand, Sandstone, Clays & Chemicals	283,511,274
Accessories & Fittings	28,874,176
Brass ingots and components	449,673,646
<b>Total</b>	<b>762,059,096</b>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

	2015-16 ₹
<b>23. Purchases</b>	
Purchases	3,712,401,265
<b>Total</b>	<u>3,712,401,265</u>
Particulars of Purchase of Goods	
Vitreous China Sanitaryware, Faucetsware, Fittings, Tiles & Allied products	3,712,401,265
<b>24. (Increase) / Decrease in Finished Goods and Stock-in-Process</b>	
<b>Stock at Commencement</b>	
Finished Goods	1,001,802,175
Stock-in-Process	32,182,780
	<u>1,033,984,955</u>
<b>Stock at Close</b>	
Finished Goods	1,059,635,209
Stock-in-Process	41,422,708
	<u>1,101,057,917</u>
<b>Total</b>	<u>(67,072,962)</u>
<b>25. Employees Benefit Expenses</b>	
Salaries, Wages and Bonus	981,555,592
Contributions to Provident and other Funds	80,516,655
Staff and Labour Welfare Expenses	48,053,475
<b>Total</b>	<u>1,110,125,722</u>
<b>26. Finance Costs</b>	
<b>Interest Expenses</b>	
Interest on term loans	19,977,648
Interest others	31,333,194
Other borrowing costs	3,312,010
<b>Total</b>	<u>54,622,852</u>
<b>27. Other Expenses</b>	
Stores, Spares, Chemicals and Packing Materials Consumed	310,274,072
Excise Duty (Net of Opening Provision)	3,755,871
Rent	51,577,201
Power and Fuel consumed	312,581,090
Repairs - Plant and Machinery	19,859,167
Repairs - Building	11,160,996
Repairs - Others	8,134,797
Insurance	10,642,360
Rates and Taxes	1,682,538
Freight and Forwarding Expenses (Net)	394,809,768
Brokerage, Commission and Discounts on Sales	675,994,216
Publicity & Advertisement Expenses	256,909,015
Research & Development Expenses	9,811,983
Bad Debts / Amount written off	1,982,885
Miscellaneous Expenses	316,966,173
Foreign Exchange Fluctuation	782,704
Loss on Sale / Discard of Fixed Assets (Net)	977,739
Provision for diminution in the value of Investments	317,290
Donation	738,151
Corporate Social Responsibility	16,442,535
Director's Commission	1,200,000
<b>Total</b>	<u>2,406,600,551</u>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

		2015-16	
<b>28. Basic &amp; Diluted EPS</b>			
<b>Basic &amp; Diluted Earning per share</b>			
Profit attributable to the shareholders (₹)	A	834,256,159	
Weighted average number of Equity shares outstanding during the year	B	13,005,874	
Nominal Value of Equity share (₹)		5.00	
Basic Earning per share (F.V. ₹ 5/- per share) (₹)	A/B	64.14	
<b>Number of shares for Basic &amp; Dilutive EPS</b>			
Weighted average no. of Equity shares outstg. during the year for Basic EPS		13,005,874	
Add :Dilutive potential Equity shares		-	
Weighted average no. of Equity shares outstg. during the year for Dilutive EPS		13,005,874	
		<b>2015-16 (₹)</b>	
<b>29. Payments to the Auditors</b>			
a. As Auditors		420,000	
b. For Taxation matters		140,000	
c. For Other services		226,850	
d. For Reimbursement of expenses		52,912	
<b>Total</b>		<b>839,762</b>	
<b>30. Value of Imports on C.I.F. Basis</b>			
1. Raw Materials and Chemicals		63,676,007	
2. Stores and Spare Parts & Fittings		21,921,598	
3. Capital Goods		339,137,007	
4. Purchases		746,417,717	
<b>Total</b>		<b>1,171,152,329</b>	
<b>31. Value of Raw Materials, Stores &amp; Spare Parts Consumed</b>		<b>2015-16</b>	
<b>a. Raw Materials</b>	<b>(₹)</b>	<b>%</b>	
1. Imported	71,609,054	9.32%	
2. Indigenous	696,962,051	90.68%	
<b>b. Stores &amp; Spare Parts</b>			
1. Imported	16,881,346	16.38%	
2. Indigenous	85,176,189	83.62%	
<b>32. Expenditure in Foreign Currencies on account of</b>		<b>2015-16 (₹)</b>	
1. Travelling		5,772,347	
2. Export Commission		1,469,499	
3. Bank Charges		338,693	
4. Technical know-how & Professional fees		2,963,391	
5. Others		336,790	
<b>33. Unhedged Foreign Currency Exposure</b>			
Particulars	Currency	2015-16	
		Foreign Currency	Equivalent INR
Trade Payables	USD	27,693	1,834,653
Advance from Customers	USD	24,499	1,623,024
Trade Receivables	USD	129,533	8,581,428
Advance to Suppliers	USD	362,076	23,987,079
Advance to Suppliers	EUR	44,737	3,376,015
Bank Balance in EEFC Account	USD	192,816	12,773,837

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

	2015-16 (₹)
<b>34. Earnings in Foreign Exchange</b>	
Exports of Goods on F.O.B. Basis	80,146,385
	As on 31-03-2016 (₹)
<b>35. Contingent liability in respect of :</b>	
a. Claims against the Company not acknowledged as debts (Net of Payments).	13,266,300
b. Letters of Credit opened and guarantees given.	144,819,477
c. Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advance).	204,448,069
d. Contribution as Capital to Cera Sanitaryware Trading LLC at Dubai. (1 AED = ₹ 18.04)	3,157,000

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

37. Lease of an asset whereby the lessor essentially remains the owner of the asset is classified as operating lease. The payments made by the Company as Lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. The minimum lease payment due within one year under operational lease is ₹ 59,870/-.

### 38. 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 31st March, 2016.

#### 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 Employees’ 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.

This being a first year, the subsidiary has provided liability of gratuity fund based on actuarial valuation.

	2015-16 (₹)
<b>2) Charge to the Profit and Loss Account based on contributions:</b>	
Provident fund	19,657,168
Employees’ Pension Scheme	18,652,973
ESIC	11,399,667
<b>Total</b>	<b>49,709,808</b>

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

## 3) Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2016

Particulars	2015-16		
	Gratuity Funded Plan (₹)	Gratuity Non-Funded Plan (₹)	Leave Encashment Non-Funded Plan (₹)
<b>Change in Defined Benefits Obligation</b>			
Opening defined benefits obligation	107,982,554		51,065,283
Current service cost	12,158,550	92,258	7,358,648
Interest cost	8,662,272		4,096,415
Actuarial loss / (gain)	15,511,474	222,528	8,608,387
Benefits paid	(11,386,358)		(9,686,983)
Closing defined benefits obligation	132,928,492		61,441,750
<b>Change in Fair value of Assets</b>			
Opening fair value of plan assets	107,308,416		
Expected return on plan assets	9,611,205		
Actuarial gain / (loss)	(922,465)		
Contributions by employer	28,360,901		
Benefits paid	(11,386,358)		
Closing fair value of plan assets	132,971,699		
<b>Movement in net liability recognized in Balance Sheet</b>			
Net opening liability	674,138		51,065,283
P & L Charge	27,643,555		20,063,450
Contribution Paid	(28,360,901)		(9,686,983)
Closing Net (asset) / liability	(43,208)		61,441,750
<b>Expenses recognized in the Profit and Loss Account</b>			
Current Service cost	12,158,549	92,258	7,358,648
Interest on defined benefit obligation	8,662,272		4,096,415
Expected return on plan assets	(9,611,205)		-
Net actuarial loss / (gain) recognized in the current year	16,433,939	222,528	8,608,387
Total Expenses	27,643,555		20,063,450
<b>Assets Information</b>			
Government of India Securities	32.67%		
Corporate Bonds	53.62%		
Special Deposits Scheme	0.74%		
Others/ Insurance Co.	12.97%		
<b>Principal actuarial assumption</b>			
Discount Rate (p.a.)	8.00%	8.00%	8.00%
Expected rate of return on plan assets (p.a.)	8.00%		
Annual Increase in Salary costs	6.00%	4.00%	6.00%
Effect on the aggregate Service Cost & interest cost	-		-
Effect on defined benefit obligation	-		-

- (4) The Company has provided up to 31.03.2016 ₹ 614.42 Lacs (₹ 510.65 Lacs) being increment of discounted value of liability for unavailed leave of the employees determined as per Actuarial Valuation.



## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

## 39. A) Details of Related party transactions during the year ended 31st March, 2016.

Type of Transaction	Associates (₹)	Key Management Personnel (₹)	Relatives of Key Management Personnel (₹)	Total (₹)
<b>Purchase / Sales - Purchase of Land</b>	<b>34,666,830</b>			<b>34,666,830</b>
<b>Expenses - Remuneration</b>	-	<b>107,922,510</b>	<b>4,728,994</b>	<b>112,651,504</b>
Lease Rent/Rent	<b>9,269,283</b>			<b>9,269,283</b>
Other Services	<b>2,037,524</b>	<b>1,350,000</b>	-	<b>3,387,524</b>
Donation/Other Expenses	<b>13,800,000</b>	-		<b>13,800,000</b>
<b>Balance at the end of the year</b>				
Rent Deposit	<b>1,946,000</b>		-	<b>1,946,000</b>

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

1. Subsidiary	—	
2. Associates	Madhusudan Industries Ltd. Cera Foundation Indian Council of Sanitaryware Manufactures Anjani Vishnu Holdings Ltd.	Vikram Investment Co. Ltd. Swadeshi Fan Ind. Ltd. Madhusudan Holdings Ltd.
3. Key Management Personnel	Vikram Somany S. C. Kothari Ashok Chhajed Govindbhai Patel Narendra N. Patel Deepshikha Khaitan P V R L N Raju	Atul Sanghvi Dr. K. N. Maiti Rajesh B. Shah Lalit Kumar Bohania Sajan Kumar Pasari C V K Raju
4. Relatives of Key Management Personnel	Smiti Somany P S Naveen C Sandhya Raju	Pooja Jain Somany P Sindhoori

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

Particulars	2015-16 (₹)
<b>Purchase of Land</b>	
Anjani Vishnu Holdings Ltd.	<b>34,666,830</b>
<b>Expenses</b>	
Lease Rent / Rent	
Madhusudan Industries Ltd.	<b>9,269,283</b>
Other Services	
Madhusudan Industries Ltd.	<b>1,692,030</b>
Swadeshi Fan Industries Ltd.	<b>206,100</b>
Indian Council of Sanitaryware Manufactures	<b>10,500</b>
Cera Foundation	<b>128,894</b>
Donation	
Cera Foundation	<b>13,800,000</b>

40. a) Anjani Tiles Limited, incorporated under the Companies Act, 2013 became subsidiary of Cera Sanitaryware Limited during the year. This being the first year of consolidated financial statement, previous year figures are not given.

## Consolidated Notes forming part of the Financial Statements as at 31st March, 2016

- b) The Company has entered into a Memorandum of Understanding with foreign partners to invest and participate in Joint Venture to expand Company's business in UAE. Company has joined with 25% share in "Cera Sanitaryware Trading LLC", a limited liability Company in UAE - Dubai, on 21st December, 2015 for Tiles, Flooring materials and Sanitaryware trading.
- c) The Company has entered into a Memorandum of Understanding with foreign partners to invest and participate in Joint Venture to expand Company's business in Sharjah. Company has joined with 50% share in "Cera Sanitaryware Limited FZC", a limited liability Company at Hamriyah Free Zone Authority of Government of Sharjah for Tiles, Flooring materials and Sanitaryware trading.
41. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the company regarding the status of the suppliers.

Particulars	2015-16 ₹
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.	
i) Principal	45,001,147
ii) Interest	-
b) The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	-
d) The amount of interest accrued and remaining unpaid at the end of the year	-

42. Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statement 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 : Kolkata

Date : 3<sup>rd</sup> May, 2016

**Rajesh B. Shah**

CFO & COO (Fin. & Comm.)

**Narendra N. Patel**

President & Company Secretary

**Vikram Somany**

Chairman and Managing Director

**Deepshikha Khaitan**

Director

**Sajan Kumar Pasari**

Director

**Lalit Kumar Bohania**

Director

**Atul Sanghvi**

Executive Director

**Annexure - I : Significant accounting policies and practices :****(Annexed to and forming part of the consolidated financial statements for the year ended 31<sup>st</sup> March, 2016)****\* 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.

**\* Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

**\* Principles of Consolidation :**

(a) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS21) on "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006 on the basis of the separate audited financial statements of Parent Company, Cera Sanitaryware Limited and Subsidiary Company, Anjani Tiles Limited.

(b) The Consolidated Financial Statements are prepared in the same manner as that of Parent Company, i.e. year ended March, 2016, in the same manner as far as possible as the Company's separate Financial Statement.

(c) Financial Statements of the Subsidiary Company used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March, 2016.

**\* Revenue Recognition:**

Revenue is recognized when consideration can be measured reliably and there exist reasonable certainty of its recovery.

**(a) Sales**

Revenue is recognized when significant risk and rewards of ownership of the goods have been passed on to the buyer.

- In case of Domestic Sales : On dispatch of products to customers.

- In case of Export Sales : On the basis of Bill of lading.

Sales include excise duty and net of discounts, Vat and sales return, as applicable. Sales exclude self-consumption of products.

**(b) Service Income**

Service income is recognized as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax, wherever applicable.

**(c) Dividend Income**

Dividend income is recognized when the unconditional right to receive the income is established.

**(d) Interest Income**

Interest income is recognized on time proportionate method.

**(e) Others**

Other Income is accounted on accrual basis except where the receipt of income is uncertain.

**\* Employee Benefits**

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

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

(c) Leave encashment is recognized 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 capitalized.

**(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. Depreciation on capital work in progress commences when assets are ready for their intended use and transferred from capital work in progress group to tangible fixed assets group.

(c) Assets acquired under hire purchase installment credit scheme, the cost of asset is capitalized while the annual financial charges at equated installments 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:

(i) 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.

(ii) 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.
- (g) Intangible Assets : Expenditure on Computer Software is amortized on written down value method over the period of expected benefits not exceeding three years.

\* **Inventories**

- (a) Raw-materials, Packing Materials, Stores and Chemicals are taken at lower of cost and net realizable value following FIFO method. Cost (Net of CENVAT and Input Tax Credit Availed) of Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods & Stock-in-process is determined on FIFO basis.
- (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.

\* **Leases:**

- (a) Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

- (b) Finance Lease :

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of profit and loss.

\* **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 recognized 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 capitalized as part of fixed assets.

Derivative transactions are considered as off-balance sheet items and cash flows arising therefrom are recognized 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 a qualifying assets are capitalized as part of the cost of such asset till the time the asset is ready for the intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

\* **Intangible Assets:**

Intangible assets are recognized if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably in accordance with the notified Accounting Standard-26.

\* **Provisions and Contingent Liabilities:**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in financial statement.

\* **Taxation**

Provision for tax for the year comprises current Income-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 amortization 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.

# 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 - 2016

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 29<sup>th</sup> July, 2016.

\_\_\_\_\_  
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.

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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

(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 :

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature \_\_\_\_\_, or failing him
- 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 18<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 29<sup>th</sup> July, 2016 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

## Route Map for Annual General Meeting



Resolutions:	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 Smt. Deepshikha Khaitan as Director, who retires by rotation.		
4. Appointment of Auditors and fixing their remuneration.		
5. To ratify the remuneration payable to Cost Auditors.		
6. To approve Related Party Transactions.		
7. To retain Dr. K. N. Maiti as Consultant.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Affix  
Revenue  
Stamp

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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