

Annexure - VI to the Directors' Report

CORPORATE GOVERNANCE REPORT

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

1) Company's Philosophy

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

The spirit of Corporate Governance has been prevailing in the Company. The Company believes in the values of transparency, professionalism, and accountability. The Company recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders and with every individual, who comes in contact with the Company. For the company the adherence to the corporate governance is not only from the letter of law but to do the business in a right and legal way. Corporate Governance has indeed been an integral part of the way CERA have done business.

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

2) Board of Directors

The composition of the Board with reference to the number of Executive, Non-Executive Directors, Independent Directors and Woman Directors, meets the requirement of Regulation 17(1) of Listing Regulations and it consists of an optimal combination of Executive, Non-Executive and Independent Directors, representing a judicious mix of in-depth knowledge and experience. The Board comprises of a Chairman & Managing Director, Joint Managing Director, 2 (Two) Executive Directors and 5 (Five) Independent Directors.

During the year under review, 4 (Four) Board Meetings were held on 10th May, 2022, 4th August, 2022, 7th November, 2022 and 2nd February, 2023.

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

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

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

Note:

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

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

* Shri Ravi Bhamidipaty has been appointed as a Non-Executive- Independent Director w.e.f. 4th August, 2022 for the term of 3 Years.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

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

All Independent Directors are experienced and competent in their respective field. They actively participate in the Board and Committees which gives significant value addition in the decision-making process. The Independent Directors are familiarised by the management with respect to their roles and responsibilities, industry behavior, Company's business model, risks, threats and opportunities initially at the time of joining and thereafter from time to time through various business presentations at meeting of the board of directors. The details of Familiarization programs imparted to independent directors is available on Company's website i.e. <https://www.cera-india.com/policy-and-statutory-documents/familiarization-programme>

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

Skills / Expertise / Competence of the Board:

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

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

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

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

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

Performance Evaluation:

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

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

Independent Directors' Meeting:

During the year under review, a separate meeting of Independent Directors was held on 20th March, 2023 inter alia, to discuss:

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

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

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

Prohibition of Insider Trading:

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

Code of Conduct

The Company has implemented model code of conduct for the Board members and senior managerial personnel of the Company. The code of conduct is available on the website of the Company i.e. <https://www.cera-india.com/policy-and-statutory-documents/code-of-conduct>

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

3) Audit Committee

The Audit Committee consists of 4 (Four) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Surendra Singh Baid (Independent) – Member, Ms. Akriti Jain (Independent) – Member and Shri Ravi Bhamidipaty (Independent) – Member.

Shri Vikram Somany and Shri Sajan Kumar Pasari ceased to be the members of Audit Committee and Shri Ravi Bhamidipaty appointed as the member of the Committee w.e.f. 4th August, 2022.

During the year, 4 (Four) Audit Committee Meetings were held on 10th May, 2022, 4th August, 2022, 7th November, 2022 and 2nd February, 2023. Details of number of meetings and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Lalit Kumar Bohania	4	4
Shri Surendra Singh Baid	4	4
Ms. Akriti Jain	4	4
Shri Ravi Bhamidipaty	2	2
Shri Vikram Somany	2	2
Shri Sajan Kumar Pasari	2	2

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Internal Auditors and Company Secretary. If requires, the Audit Committee holds a separate meeting with Statutory Auditors in absence of the management representatives. The Company Secretary acts as Secretary to the Committee. Shri Lalit Kumar Bohania, Chairman of the Audit Committee was present at the last 24th Annual General Meeting held on 30th June, 2022 to answer the shareholders queries.

Terms of reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices & reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - modified opinion (s) in the draft audit report;
 - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings & follow up there on;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - To review the functioning of the Whistle Blower Mechanism;
 - Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 - consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Additionally, the Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor
 - Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, comprises of 3 (Three) directors as its members namely, Shri Surendra Singh Baid (Independent) – Chairman, Shri Lalit Kumar Bohania (Independent) - Member and Shri Ravi Bhamidipaty (Independent) - Member.

Shri Vikram Somany and Shri Sajan Kumar Pasari ceased to be the members of Nomination and Remuneration Committee and Shri Ravi Bhamidipaty appointed as the member of the Committee w.e.f. 4th August, 2022.

During the year under review, 3 (Three) Nomination and Remuneration Committee Meetings were held on 09.05.2022, 28.07.2022 and 01.02.2023.

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

Name of Director	No. of Meetings	
	Held	Attended
Shri Surendra Singh Baid	3	3
Shri Lalit Kumar Bohania	3	2
Shri Ravi Bhamidipaty	1	1
Shri Sajan Kumar Pasari	2	2
Shri Vikram Somany	2	1

Terms of reference

The terms of reference of Nomination and Remuneration Committee have been formulated in line with the requirement of Section 178 of the Act, rules framed thereunder and the Listing Regulations. The Committee fixes the Remuneration of Executive Directors, which include all elements of remuneration package i.e. salary, benefits, commission, bonus, incentives, pension, retirement benefits and such other benefits. The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts,

notice period, severance fees etc. of the remuneration package of working directors, as may be necessary.

The role of the Nomination and Remuneration Committee inter-alia includes following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity,
 - c. consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

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

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

The committee recommends appointment of Directors to the Board.

5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, consists of 4 (Four) directors as its members namely, Shri Vikram Somany-Chairman, Shri Anupam Gupta - Member, Smt. Deepshikha Khaitan - Member and Shri Surendra Singh Baid (Independent)-Member.

During the year under review, 1 (One) Corporate Social Responsibility Committee meeting was held on 27th September, 2022.

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

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	1	1
Smt. Deepshikha Khaitan	1	1
Shri Surendra Singh Baid	1	1
Shri Anupam Gupta	1	1

Terms of reference

The Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy and monitor and review the same and determine implementation process / execution of CSR policy. The CSR Policy of the Company is available on the website of the Company at <https://www.cera-india.com/policy-and-statutory-documents/corporate-social-responsibility-policy>. The Committee recommend to the Board the CSR Projects & Activities to be carried out by the Company for the financial year and Annual Action plan, timeline, implementation schedule and manner of execution of CSR activities.

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

6) Risk Management Committee:

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

Risk Management Committee comprises of Shri Vikram Somany (Chairman), Smt. Deepshikha Khaitan (Member), Shri Ayush Bagla (Member), Shri Anupam Gupta (Member), Shri Surendra Singh Baid, Independent (Member) and Shri Vikas Kothari, CFO (Member).

During the year 2 (Two) meetings of Risk Management Committee were held on 20th July, 2022 and 10th January, 2023. The Risk management Committee's noting and observation was placed before the Board for information and necessary action of the Board/management.

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

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	2	1
Smt. Deepshikha Khaitan	2	1
Shri Ayush Bagla	2	2
Shri Surendra Singh Baid	2	2
Shri Anupam Gupta	2	2
Shri Rajesh B. Shah*	2	2

* Shri Rajesh B. Shah ceased to be the member of Risk Management Committee due to his retirement as CFO w.e.f. 31st March, 2023 and Shri Vikas Kothari appointed as member of the Committee w.e.f. 10th May, 2023.

Terms of reference

The role of the Risk Management Committee as specified in Part D of the Schedule II of SEBI (LODR) Regulations, 2015, inter-alia includes following:

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

7) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

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

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to appointment and payment of remuneration to Directors, KMPs and other senior management employees which was approved by the Board and is uploaded on the website of the Company at: <http://www.cera-india.com/sites/default/files/2022-05/Nomination-and-Remuneration-policy.pdf>

8) Details of remuneration for the year ended 31.03.2023.**(i) Managing Director / Whole-time Director(s)**

(₹ in Lakhs)

Name and Designation	Remuneration	Perquisites and other benefits	Commission
Shri Vikram Somany Chairman and Managing Director	672.25	82.88	—
Smt. Deepshikha Khaitan Joint Managing Director	286.02	20.81	—
Shri Anupam Gupta Executive Director (Technical)	281.17	43.60	—
Shri Ayush Bagla Executive Director	266.88	19.88	—

Performance incentive to the Managing and Executive Directors are based on the sales achieved and operating profit of the Company on the basis of the criteria decided by the Nomination and Remuneration Committee /Board of Directors/Chairman and Managing Director from time to time. Executive Directors' appointment is for the period of 3 years while that of Managing Director and Joint Managing Directors' appointment is for period of 5 years.

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

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

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

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

(ii) Non-Executive Directors & their Shareholding

Members of the Company at their 24th Annual General Meeting held on 30th June, 2022 have passed the resolution for payment of commission to Directors not in whole time employment of the Company not exceeding 1% of the net profit of the Company. The commission is to be distributed among Directors not in whole time employment as may be decided by Board of Directors.

Criteria for Remuneration to Non-Executive Directors:

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

The role of Non-Executive Directors is significant in achieving good performance and establishment of good governance. The responsibility of the Non-Executive Directors has increased considerably over the years. Details of remuneration to the non-executive Directors of the Company and their shareholding are as under :

Name of the Director	Sitting Fees (₹ in Lakhs)	Commission (₹ in Lakhs)	No. of Shares held	% of total shareholding
Shri Sajjan Kumar Pasari	0.60	5.00	236696	1.82%
Shri Lalit Kumar Bohania	0.80	5.00	Nil	Nil
Shri Surendra Singh Baid	0.80	5.00	Nil	Nil
Ms. Akriti Jain	0.80	5.00	Nil	Nil
Shri Ravi Bhamidipaty	0.50	5.00	Nil	Nil
TOTAL	3.50	25.00	236696	1.82%

9) Share Transfer Committee

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

The said Committee comprises of 3 (Three) directors as its members, namely, Shri Anupam Gupta - Chairman, Shri Surendra Singh Baid (Independent) - Member and Shri Lalit Kumar Bohania (Independent) – Member.

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

10) Stakeholders Relationship Committee

In accordance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 the Company has constituted the Stakeholders Relationship Committee. The Committee comprises of 3 (Three) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Ravi Bhamidipaty – Member and Shri Surendra Singh Baid (Independent) – Member.

Shri Anupam Gupta ceased to be the member of committee and Shri Ravi Bhamidipaty was appointed as member of the Committee. During the year, 1 (One) meeting of Stakeholders Relationship Committee was held.

The Chairman of the Stakeholders Relationship was present in the last Annual General Meeting to answer the shareholders queries. Company Secretary acts as the secretary to the Committee.

Shri Hemal Sadiwala is Company Secretary and Compliance Officer of the Company.

Status of Complaints during the financial year ended on 31.03.2023:

Complaints at the beginning of the year	0
Complaints received during the year	3
Complaints resolved during the year	3
Complaints remain unresolved at the end of the year	0

All the complaints received from the Shareholders were resolved to the satisfaction of shareholders. There is no complaint pending as on 31.03.2023, which is not attended / replied by the Company. However, Company has not received any serious complaints during the year.

11) General Body Meetings and Postal Ballot

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

Financial Year ended	Date	Time	Venue
31.03.2022	30.06.2022	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2021	04.08.2021	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2020	10.09.2020	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means

Extra-Ordinary General Meeting:

Financial Year ended	Date	Time	Venue
			Nil

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

- 1) Re- appointment of Shri Vikram Somany as Chairman and Managing Director (Annual General meeting dated 30th June, 2022)
- 2) Re- appointment of Shri Ayush Bagla as Executive Director (Annual General meeting dated 30th June, 2022)
- 3) Appointment of Shri Anupam Gupta as Executive Director (Technical) (Annual General meeting dated 30th June, 2022)
- 4) Re-appointment of Shri Surendra Singh Baid as an Independent Director (Annual General meeting dated 30th June, 2022)
- 5) Payment of Commission to Non- Executive Directors (Annual General meeting dated 30th June, 2022)
- 6) Appointment of Smt. Deepshikha Khaitan as Joint Managing Director (Annual General meeting dated 10th September, 2020)
- 7) Re-appointment of Shri Atul Sanghvi as Executive Director & CEO (Annual General meeting dated 10th September, 2020)

Passing of Resolution through Postal Ballot:

- 1) Appointment of Shri Ravi Bhamidipaty as an Independent Director of the Company. (Postal Ballot Notice dated 13th September, 2020)

The details of voting pattern are given below:

Particulars	% of Voting
Votes in favour of the Resolution	100.00 %
Votes against the Resolution	Negligible

The Board of Directors had appointed Shri Umesh Parikh, Partner of Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

There is no special resolution proposed to be conducted through postal ballot in ensuing AGM.

12) Means of Communication

- Quarterly results are published in leading daily newspapers viz. The Economic Times / Business Standard and a local language newspaper viz. The Economic Times / Times of India / Navgujarat Samay. The annual reports are circulated to all the members of the Company electronically, whose email ids are registered with depository participant and with the Registrar and Share Transfer Agent / Company only.
- The official news releases/investor communication, if any, are given directly to the press and simultaneously submitted to the Stock Exchanges.
- Quarterly and annual financial results, Shareholding pattern and other general information of the company are displayed on the company's website: www.cera-india.com.
- Earnings Calls and Presentations at the end of each quarter, the Company organizes meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings calls are uploaded on the website of the Company thereafter also submitted to the stock exchanges.

13) General Shareholders' Information

1. Annual General Meeting

Date and Time : Thursday, 6th day of July, 2023 at 11.30 a.m.

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

2. Financial Calendar 2023-24 (tentative)

Annual General Meeting:	By 30 th September, 2024
<u>Results for quarter ending</u>	<u>By 14th day of</u>
June 30, 2023	August, 2023
September 30, 2023	November, 2023
December 31, 2023	February, 2024
March 31, 2024 (Audited)	By 29 th May, 2024

3. Dividend Payment

Dividend for the year ended 31st March, 2023 will be paid to the members whose names will appear in the register of members of the Company, on 28th June, 2023 and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 20th June, 2023.

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

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

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 18th May, 2022 and Company has sent individual notices to the shareholders on 13th May, 2022 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. Those shareholders who have not claimed their shares, such shareholders' shares have been transferred to the Investor Education and Protection Fund during the year 2022-23. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

5. Listing on Stock Exchanges

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

The company has paid listing fees for the year 2022-23 and 2023-24 to both the Stock Exchanges.

BSE Limited

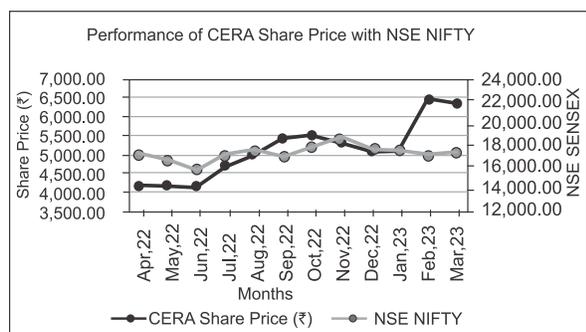
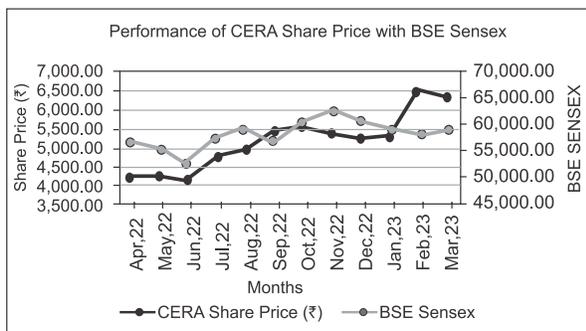
Scrip Code : 532443 Scrip ID : CERA

National Stock Exchange of India Limited

Trading Symbol : CERA.

6. Share price at BSE and NSE

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-2022	5188.45	4084.60	4992.30	4070.70
May-2022	4323.50	3518.60	4335.00	3515.00
Jun-2022	4343.00	3950.05	4319.35	3950.00
Jul-2022	4760.00	3990.00	4768.45	3989.95
Aug-2022	5084.40	4632.70	5047.70	4622.10
Sep-2022	5968.00	4865.95	5955.00	4853.20
Oct-2022	5657.30	5245.45	5670.60	5240.00
Nov-2022	6067.95	5147.60	6076.60	5150.05
Dec-2022	5494.10	4950.00	5499.90	4963.40
Jan-2023	5523.00	5180.10	5523.95	5175.75
Feb-2023	6789.05	5252.45	6788.00	5260.00
Mar-2023	6622.25	5885.10	6630.00	5882.65



7. Registrar and Share Transfer Agent

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

8. Share Transfer System

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

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

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

9. Information for Physical Shareholders

With reference to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021 and 25th January, 2022 and 16th March, 2023 on Common and Simplified Norms for processing Investor's Service, shareholders holding shares in physical form, to furnish the following documents mandatorily to Company/ our Registrar & Share Transfer Agent (RTA) on urgent basis, failing which all such physical folios shall stand frozen with effect from 1st October, 2023 by the RTA of the Company. Shareholders with frozen folio shall not be eligible to lodge grievance or avail service request from the RTA and further shall not be eligible for receipt of dividend in physical mode w.e.f. 1st April, 2024.

- 1) Valid PAN including of all Joint Shareholders duly linked with Aadhaar and KYC details (Form ISR-1)
- 2) Bank Account details (Bank Name, Branch, Bank Account No, IFSC Code and MICR code) (Form ISR-1)
- 3) Address with Pin code, Email id and Mobile Number (Form ISR-1)
- 4) Specimen Signature (Form ISR-2)
- 5) Registration of Nominee (Form No. SH-13) or Declaration for opting-out of Nomination (Form ISR-3)

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

Necessary communication through letters were been sent to all the physical shareholders in this regard in the month of February, 2022 and second reminder was sent in the month of March, 2023.

Further all the shareholders who have not dematerialized their shares, are also advised to get their shares converted into Demat/electronic form to get inherent benefits of dematerialization. CERA SANITARYWARE LIMITED's ISIN is INE739E01017. For queries, you can approach our Registrar and Share Transfer Agent (RTA) at : MCS Share Transfer Agent Limited (Unit: Cera Sanitaryware Limited), 101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Email: mcsstaahmd@gmail.com, Tel. : +91 79 26580461/ 62.

10. Distribution of Shareholding as on 31.03.2023

Shares	No. of Shareholders	Total No. of Shares
1	500	39,352
501	1000	240
1001	2000	102
2001	3000	33
3001	4000	16
4001	5000	11
5001	10,000	33
10,001	50,000	36
50,001	1,00,000	11
1,00,001 And above		15
Total	39,849	1,30,05,874

11. Shareholding Pattern as on 31st March, 2023.

Sr. No.	Category	No. of Shares	(%)
1.	Promoters	70,85,139	54.48
2.	Mutual Funds/UTI	12,49,855	9.61
3.	FPIs	23,44,928	18.03
4.	Financial Institutions / Banks / Trusts / IEPF/Insurance Co.	1,19,634	0.92
5.	NRIs	80,507	0.62
6.	Bodies Corporate	3,53,950	2.72
7.	Indian Public	17,71,861	13.62
Total		1,30,05,874	100.00

12. Dematerialisation of Shares as on 31.03.2023

As on 31.03.2023,98.89% of the Company's total shares representing 1,28,61,655 Shares were held in dematerialized form and the balance 1.11% representing 1,44,219 shares were in physical form.

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

- 13.** Secretarial Audit for Reconciliation of Capital pursuant to SEBI (Depositories and Participants) Regulations, 2018 : A practicing company secretary has carried out the aforesaid Secretarial Audit for all the quarters of Financial Year 2022-23. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.
- 14.** There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments in the Company.
- 15.** Neither the Company nor its subsidiaries has granted any loans to firms/Companies in which Directors are interested during the year under review.

16. Credit Rating:

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

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

17. Plant Locations

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

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

18. Address for Correspondence

The Company's Registered Office is situated at 9, GIDC Industrial Estate, Kadi-382715, District Mehsana, Gujarat. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above or Corporate Office at 7th & 8th Floor, B Wing, Privilon, Ambli BRTS Road, ISKCON Crossroads, Ahmedabad - 380059 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Contact No. 079- 26580461/62, Email:mcsstaahmd@gmail.com

- 19.** The Company has received Certificate from Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory Authority. Certificate forms part of the report.
- 20.** During the F.Y. 2022-23 the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- 21.** During the year, total fees of ₹ 26.50 Lakhs have been paid to Statutory Auditors Singhi & Co. and total fees of ₹ 2.50 Lakhs paid to Statutory Auditors of Subsidiaries i.e. N.M.Nagri & Co.
- 22.** Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Number of Complaints filed during the financial year - Nil
 - Number of Complaints disposed of during the financial year - Nil
 - Number of Complaints pending as on end of the financial year - Nil

14) 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.

2. Disclosure of Accounting Treatment: These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31st March, 2023 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated, so as to make the figures comparable with the figures of current year.
3. There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchanges, SEBI or other statutory authority of any matter related to the capital market, during the last three years.
4. Vigil Mechanism (Whistle Blower Policy):
The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website at <https://www.cera-india.com/policy-and-statutory-documents/vigil-mechanism-whistle-blower-policy> and no person is denied access to the Audit Committee. The Company is doing business with honesty and integrity over the years. The system is in place to report unethical conduct in order to promote professionalism, fairness, dignity, and ethical behaviour in its staff and stakeholders.
The said system also safeguards the employees who use the vigil mechanism from being victimized.
5. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has partly adopted nonmandatory requirements. The Company is having unmodified audit opinion and the Internal Auditor reports directly to the audit committee. The Company is complying with applicable Secretarial Standards.
6. The Company has no material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link:<https://www.cera-india.com/policy-and-statutory-documents/policy-for-determining-material-subsiary>
7. Related Party Transactions
All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. Considering the recent amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Related Party transactions, the board have revised the Related party Transaction policy of the Company and it has been uploaded on the website of the Company at <https://www.cera-india.com/policy-and-statutory-documents/related-party-transaction>
8. Commodity Risk or Foreign Exchange Risk:
The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.
9. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2022-23.
10. CEO and CFO certification
As per Regulation 17(8) and Part - B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from Managing Director / CEO and CFO has been obtained.

Ahmedabad.
10th May, 2023

Vikram Somany
Chairman and Managing Director
(DIN:00048827)