

# CERA

## Cera Sanitaryware Limited

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

Phone : (02764) 243000, 242329

www.cera-india.com; E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

### NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s)

**NOTICE** is hereby given that, pursuant to and in compliance with the provisions of Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), read with the General Circular Nos. 14/2020 and 9/2023 dated 8<sup>th</sup> April, 2020 and 25<sup>th</sup> September, 2023, respectively, and other circulars issued by the Ministry of Corporate Affairs ("MCA") in this respect hereinafter collectively referred to as "MCA Circulars") [including any statutory modification or reenactment thereof for the time being in force], Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and also SEBI Circulars HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October, 2023 (collectively referred to as 'SEBI Circulars'), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws and regulations, the Special Resolutions appended below are proposed for approval of the Members of the Company through Postal Ballot by E-voting process ("E-voting").

In compliance with the MCA Circulars, the Postal Ballot Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories as on 12<sup>th</sup> April, 2024 ("Cut-off date"). Members may note that the Notice of Postal Ballot is uploaded on the Company's website [www.cera-india.com](http://www.cera-india.com) and maybe accessed by the Members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Central Depository Services (India) Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com). In compliance with the Act, MCA Circulars and other applicable provisions, the physical copy of Postal Ballot Notice along with Postal Ballot Form and pre-paid self-addressed business reply envelope are not being sent to the Members for this Postal Ballot and Members have been requested to communicate their assent or dissent through the e-voting system only. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide E – voting facility.

The Board of Directors of the Company has appointed Mr. Umesh Parikh or failing him Mr. Uday Dave, Partners of Parikh Dave & Associates - A Peer Reviewed Firm, Practicing Company Secretaries, Ahmedabad, as the Scrutinizer for conducting Postal Ballot through E-voting process in a fair and transparent manner.

In accordance with the provisions of the MCA Circulars and SEBI Circulars, Members can vote only through the E-voting process. Accordingly, the Company is pleased to offer Evoting facility to all its members to cast their votes electronically. Members are requested to read the instructions in the Notes under the section "INSTRUCTIONS FOR E-VOTING" in this Postal Ballot Notice ("Postal Ballot Notice") to cast their vote electronically.

The E-voting will be available during the following period after which the CDSL portal shall be blocked and shall not be available for e-voting:

<b>Commencement of E-voting</b>	09:00 AM (IST) on 17 <sup>th</sup> April, 2024 (Wednesday)
<b>End of E-voting</b>	05:00 PM (IST) on 16 <sup>th</sup> May, 2024 (Thursday)

You are requested to peruse the proposed resolutions along with its Explanatory Statements and read the instructions and notes carefully and thereafter cast your votes through the e-voting system not later than 5.00 pm (IST) on 16<sup>th</sup> May, 2024. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote is cast by the Member, the Member shall not be allowed to change it subsequently.

The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company at 9, GIDC Industrial Estate, Kadi - 382715. 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 stock exchanges on which the shares of the Company are listed within two working days from the last date of voting. Subject to receipt of requisite number of votes, the resolutions mentioned in the Notice shall be considered as deemed to be passed on 16<sup>th</sup> May, 2024 (Thursday) i.e. last day of the voting period.

#### RESOLUTIONS PROPOSED TO BE PASSED THROUGH POSTAL BALLOT:

##### Item No. 1: Approval of the 'Cera Sanitaryware - Employee Stock Option Scheme 2024' ("ESOS 2024"/ "Scheme").

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, relevant provisions of the Regulation 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity)

Regulations, 2021 and any circulars/notifications/ guidance/ frequently asked questions issued thereunder, as amended from time to time (collectively referred as “**SEBI SBEB Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**”), the provisions of relevant regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India (“**SEBI**”), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “**Board**” which term shall be deemed to include any duly constituted committee thereof, including the Nomination and Remuneration Committee or any other sub-committee which the Nomination and Remuneration Committee may constitute/designate to act as the ‘ESOP Committee’ under the “SEBI SBEB Regulations” or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to introduce and implement ‘**Cera Sanitaryware - Employee Stock Option Scheme 2024**’ (“**ESOS 2024**” or “**Scheme**”) authorizing the Board to create and grant from time to time, in one or more tranches, not exceeding 2,60,000 (Two Lakhs Sixty Thousand) in aggregate employee stock options (“**Options**”) to or for the benefit of such person(s) working exclusively with the Company, whether in or outside India, including any director, whether whole-time or not (excluding the employees/ directors who are promoters and persons belonging to the promoter group, independent directors and directors holding directly or indirectly more than 10% (Ten percent) of the outstanding equity shares of the Company) subject to their eligibility as may be determined under the Scheme, exercisable into not more than 2,60,000 ( Two Lakhs Sixty Thousand) (“**Shares**”) of face value of Rs. 5/- each fully paid-up, to be sourced either from primary issuance of Shares to the trust, secondary acquisition through trust or both in one or more tranches at such point(s) in time as decided, through an irrevocable employee welfare trust of the Company namely ‘Cera Sanitaryware Employees Welfare Trust’ (“**Trust**”) being set-up by the Company, for administration of the Scheme, where one Option upon exercise shall convert into one Fully paid up Equity Share subject to payment/ recovery of requisite exercise price, on such terms & condition and in such manner as the Board/ Committee authorised in this matter may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.”

“**RESOLVED FURTHER THAT** the Shares as specified hereinabove shall be transferred by the Trust to the Option grantees upon exercise of Options in accordance with the terms of the grant and provisions of the Scheme and such

Shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.”

“**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares are required to be issued.”

“**RESOLVED FURTHER THAT** in case the Shares of the Company are either sub-divided or consolidated, then the ceiling in terms of number of Shares specified above shall automatically stand augmented or reduced, as the case may be, in the same proportion as the face value per Share shall bear to the revised face value of the Share of the Company after such sub-division or consolidation.”

“**RESOLVED FURTHER THAT** the Company and Trust shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of the Scheme as it may, in its, absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and/or instructions as may be necessary, of proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of Scheme and to take all such steps and do all such acts as may be incidental or ancillary thereto.”

“**RESOLVED FURTHER THAT** the Board/ Committee be and is hereby also authorised to determine, modify and vary all or any of the terms and conditions of the ESOS 2024 as it may in its absolute discretion determine, subject to applicable laws/ regulations.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred herein, to any committee of Board of Directors or to any Key Managerial Personnel, or any other officers and employees as it may deem fit to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

## **Item No. 2: Approval of secondary acquisition of shares through Trust route for the implementation of 'Cera Sanitaryware - Employee Stock Option Scheme 2024'**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, and in accordance with the Memorandum and Articles of Association of the Company, Regulation 3(6) and other applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**"), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any duly constituted committee thereof, including the Nomination and Remuneration Committee or any other sub-committee which the Nomination and Remuneration Committee may constitute/designate to act as the 'ESOP Committee' under the "SEBI SBEB Regulations" or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to acquire not exceeding 2,60,000 ( Two Lakhs Sixty Thousand) equity shares ("Shares") of face value of Rs. 5/- (Rupees Five only) each fully paid-up, being within the statutory ceiling as per the SEBI SBEB Regulations, by way of secondary acquisition, from time to time, in one or more tranches, through the irrevocable employee welfare trust of the Company namely the '**Cera Sanitaryware Employees Welfare Trust**' ("**Trust**"), for the purpose of implementation of the Scheme in due compliance with the provisions of the SEBI SBEB Regulations and other applicable laws."

**RESOLVED FURTHER THAT** the trustee(s) of the Trust shall not vote in respect of the Shares subscribed, acquired and held by such Trust."

**"RESOLVED FURTHER THAT** for the purposes of disclosures to the stock exchange(s), the shareholding of the Trust shall be shown as 'non-promoter and non-public shareholding'."

**"RESOLVED FURTHER THAT** the trustee of the Trust shall ensure compliance of the provisions of the SEBI SBEB Regulations, Rules made under the Companies Act, 2013 and all other applicable laws at all times in connection with acquisition, holding and dealing in the Shares of the Company including but not limited to maintenance of proper books of account, records and documents in relation to the Scheme and the Trust with appropriate disclosures as prescribed."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, the ceiling aforesaid in terms of number of equity shares intended to be purchased by the Trust from secondary acquisition shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SEBI SBEB Regulations and such adjusted number of Shares shall be deemed to be the ceiling as originally approved."

**"RESOLVED FURTHER THAT** the Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted under the SEBI SBEB Regulations."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such deeds, documents, letters and such other papers as may be necessary and to give such directions and/ or instructions as may be necessary or expedient."

## **Item No. 3: Provision of money by the Company for subscription and purchase of its own Shares by the Trust under the 'Cera Sanitaryware - Employee Stock Option Scheme 2024':**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 67(3)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Regulation 3(8) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("**SEBI SBEB Regulations**") read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**" which term shall be deemed to include any duly constituted committee thereof, including the Nomination and Remuneration Committee or any other sub-committee which the Nomination and Remuneration Committee may constitute/designate to act as the 'ESOP Committee' under the "SEBI SBEB Regulations" or their delegated authority and to exercise its powers, including the powers conferred by this resolution) to grant a loan, provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the irrevocable employee welfare trust of the Company namely the '**Cera Sanitaryware Employees Welfare Trust**' ("**Trust**") by such sum of money not exceeding 5% of the aggregate of the paid up share capital and free reserves of the Company, with a view to enable the Trust to subscribe and/or purchase equity shares of the Company of face value of Rs. 5/- each fully paid-up,

from fresh issue and/ or secondary acquisition for the purposes of ‘Cera Sanitaryware - Employee Stock Option Scheme 2024’ (“ESOS 2024” or “Scheme”).”

“**RESOLVED FURTHER THAT** the Trust shall use the loan amount disbursed from time to time only for the purposes of the Scheme strictly in accordance with the provisions of SEBI SBEB Regulations.”

“**RESOLVED FURTHER THAT** the loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of Shares including realization of exercise price and any other eventual income of the Trust.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such deeds, documents, letters and such other papers as may be necessary and to give such directions and/ or instructions as may be necessary or expedient.”

<p><b>Regd. Office:</b> 9, GIDC industrial Estate, Kadi – 382 715 Dist. Mehsana, Gujarat, India CIN : L26910GJ1998PLC034400 Date : 8<sup>th</sup> April, 2024</p>	<p>By order of the Board of Directors For Cera Sanitaryware Ltd.  <b>Hemal Sadiwala</b> Company Secretary (ACS:20741)</p>
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**Notes:**

1. Statement pertaining to the aforesaid resolutions setting out material facts as required under section 102(1) of the Act form part of the Explanatory Statement of this Notice.
2. Voting rights of the members shall be in proportion of shares held by them as on 12<sup>th</sup> April, 2024 (Cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes.
3. All the documents referred to in the Notice and Explanatory Statement will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to 16<sup>th</sup> May, 2024. Members seeking to inspect such documents can send an E-mail at: [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com).
4. Members of the Company under the category of Institutional/Corporate Shareholders are encouraged to participate for the E-voting. Corporate Shareholders intending to authorize their representatives to vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by Email at [evoting@parikhdave.com](mailto:evoting@parikhdave.com) and the same

should also be uploaded on the E-voting portal of Central Depository Services (India) Limited (“CDSL”).

5. Members who have not yet registered their E-mail addresses are requested to register the same with their Depository Participant (“DP”) in case the shares are held by them in demat mode and with the Company’s RTA in case the shares are held by them in physical mode. In case of any queries/difficulties members may write to [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com)

**6. INSTRUCTIONS FOR E-VOTING:**

- I. In compliance with the provisions of Section 108 of the Act read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations, SEBI Circulars and MCA Circulars, the Shareholders are provided with the facility to cast their vote electronically through E-voting services provided by CDSL on the Resolutions set forth in this Postal Ballot Notice.
- II. Once the vote on Resolutions is cast by the Shareholders, he / she shall not be allowed to change it subsequently or cast vote again.

**A. Login method for E-voting for Individual Shareholders holding securities in Demat Mode with CDSL/NSDL:**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on E-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their Mobile Number and E-mail IDs in their demat accounts in order to access E-voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On</li> </ol>

	<p>clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) <b>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</b></p>		<p>service provider website for casting your vote during the remote e-Voting period.</p> <p>3) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>4) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the E-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on mobile.</p> <p>2) Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting</p>	<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
		<p><b>Important note:</b></p>	<p>Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.</p>

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43 or call at toll free no. 1800225533.
Individual Shareholders holding securities Demat mode with <b>NSDL</b>	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.:1800 1020 990 and 1800 22 44 30

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Please enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company/RTA records in order to login. Date of Birth</p> <p>- If both the details are not recorded with the Depository or Company/RTA, please enter the DP ID and Client ID / Folio Number in the Dividend Bank details field as mentioned in point no. 3 of Instruction B.</p>
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**B. Login method for E-voting for all Physical Shareholders and Shareholders other than Individual Shareholders viz. Institutions/Corporate Shareholders holding Shares in Demat Mode:**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders/Members" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

**For Shareholders holding shares in Demat Form other than individual and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
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- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant <Cera Sanitaryware Limited> on which you choose to vote.
- 11) 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.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) 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.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

### C. Instructions for Non – Individual Shareholders and Custodians for E-voting:

1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

2) 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).

3) 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.

4) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

5) 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.

6) Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; company email id i.e. [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### D. Process for those Shareholders whose email addresses are not registered with the Depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice.

1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, Mobile No., Email ID, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-

attested scanned copy of Aadhar Card) by email to Company/ RTA email id.

2) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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 you can write an E-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43 or call at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43 or call at toll free no. 1800 22 55 33.

### EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 THE COMPANIES ACT, 2013 AND SEBI SBEB REGULATIONS.

#### Item No. 1 and 2:

Equity-based compensation is an effective means of aligning the long-term interests of the employees with those of the Company and provide an opportunity to employees to participate in the growth of a company and create long-term wealth. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option scheme namely 'Cera Sanitaryware - Employee Stock Option Scheme 2024' ("ESOS 2024"/ "Scheme") seeking to cover eligible employees of the Company.

With the above objective, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Sub- Committee which the Nomination and Remuneration Committee may constitute to act as the ESOP Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") has proposed ESOS 2024. The Scheme has been formulated in accordance with the SEBI SBEB Regulations. The terms and broad framework of the Scheme

has been approved by the Board of Directors of the Company through a resolution dated 8<sup>th</sup> April, 2024 as per the recommendation of Nomination and Remuneration Committee ("**Committee**").

The Shares required for the implementation of the proposed Scheme (subject to overall ceiling specified at point 'b' below) shall be sourced from either primary issuance/ secondary acquisition of Shares, or both in one or more tranches at such point(s) in time as decided, through an irrevocable employee welfare trust of the Company namely 'Cera Sanitaryware Employees Welfare Trust' ("**Trust**"). The Scheme shall be administered through this Trust. The contemplated secondary acquisition shall be well within the ceiling prescribed under SEBI SBEB Regulations.

For purchase of Shares from secondary acquisition and subscription of the primary Shares, the Trust shall seek loan from the Company. The loan sought in this regard shall be within the statutory limit, approval for which is sought separately.

As per provisions of Regulation 6 and other applicable provisions of the SEBI SBEB Regulations and the Companies Act, 2013, the Company seeks your approval by way of special resolutions for:

- (i) Approval of the Scheme seeking to grant Options to eligible employees; and
- (ii) Secondary acquisition of Shares through Trust for implementation of the Scheme.

The salient features, relevant disclosures and details of the Scheme are as follows:

**a) Brief description of the Scheme:**

The Scheme contemplates grant of Options to the eligible employees as specified at point 'c' below, from time to time as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Scheme. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The employees may create wealth depending on prevailing market price of Shares as on the date of sale.

The Board/ Committee of the Company shall supervise the Scheme as required under SEBI SBEB Regulations. All questions of interpretation of the Scheme shall be determined by the Board/ Committee and such determination shall be final and binding upon all persons having an interest in the Scheme. The Trust shall administer the Scheme.

**b) Total number of Options to be granted:**

The total number of Options to be granted under the Scheme shall not exceed 2,60,000 ( Two Lakhs Sixty Thousand).

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Board/ Committee shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under the Scheme remains the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the aforesaid the ceiling of Options/Shares shall be deemed to be increased to the extent of such additional Options issued.

**c) Identification of classes of employees entitled to participate in the Scheme**

Following classes of employees and directors (collectively referred to as "Employees") are eligible being:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not, including a non-executive director, who is not a promoter or member of the promoter group but excluding an independent director; and
- (iii) an employee as defined in sub-clauses (i) and (ii), of a group company, in India or outside India, of the Company, **but does not include:**
  - a) an employee who is a Promoter or a person belonging to the Promoter Group;
  - b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

The Committee while granting the Options to any eligible employee(s), shall at its discretion, consider the factors including but not limited to the role(s) of such employee(s) for safeguarding the interest of the Company, or such employee's contribution to the Company.

**d) Requirements of vesting and period of vesting**

Any Option granted under the Scheme shall vest not earlier than minimum vesting period of 1 (one) year and not later than the maximum vesting period of 5 (Five) years from the date of grant as may be determined by the Committee.

The Options granted shall vest so long as the employee continues to be in the employment or service of the Company, on the date of vesting and must neither be serving his notice of resignation



nor termination of employment/ service on such date of vesting nor be subject to any disciplinary proceedings pending against him on such date of vesting.

Apart from this, the Board/ Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted can vest, and which may be specified in the respective grant letters to be issued in this regard.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity as required under the SEBI SBEB Regulations.

**e) Maximum period within which the Option shall be vested:**

Any Option granted under the Scheme shall be subject to a maximum vesting period of 5 **(Five)** years from the date of grant of Options.

The Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

**f) Exercise price or pricing formula:**

The exercise price per such Option shall be the face value of the Shares of the Company at the time of grant. Employee shall bear all tax liability in relation to the options.

**g) Exercise period and the process of Exercise:**

The exercise period for vested Options shall be a maximum of **5** years commencing from the relevant date of vesting of Options, or such other shorter period as may be prescribed by the Board/ Committee at time of Grant.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under the Scheme:**

The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may

include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, expected role for the corporate growth, etc.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The maximum number of options that may be granted to each employee in any year shall in aggregate not exceed 1% (one percent) of the issued equity share capital. If the number of Options that may be offered to any specific employee shall exceed 1% (one percent) or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of Options, then the Company shall take prior approval from members of the Company.

**j) The conditions under which Options vested in employees may lapse:**

The vested Options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested Options are not exercised within the prescribed exercise period, then such vested Options shall lapse.

**k) The specified time period within which the employee shall exercise the vested Options in the event of a proposed termination of employment or resignation or retirement of employee:**

In case of termination of employment due to misconduct, all the vested options shall lapse and cannot be exercised.

In case of resignation/ termination (other than due to misconduct), all the vested Options as on the date of submission of notice of resignation/ termination shall be exercisable by the Option Grantee by last working date.

In the case of retirement, all vested Options can be exercised by the option grantee, within 6 (Six) months from the date of retirement.

In the case of termination of employment due to death or permanent incapacity of the option grantee, all vested Options can be exercised by the option grantee or its nominees or legal heir, within 12 (twelve) months from the date of Death of the Option Grantee or such Permanent Incapacity.

**l) Maximum quantum of benefits to be provided per employee:**

The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the

Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the Equity Shares on the exercise date.

**m) Route of Scheme implementation:**

The Scheme shall be implemented and administered by irrevocable Employee Welfare Trust of the Company namely Cera Sanitaryware Employees Welfare Trust, under the supervision of the Board or Committee thereof.

**n) Source of acquisition of shares under the Scheme:**

The Scheme contemplates acquisition of Shares from (i) fresh issuance of primary Shares by the Company to the Trust, (ii) secondary acquisition through the Trust, or (iii) both i.e., partly from fresh issue and balance from secondary acquisition.

**o) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc:**

The Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the Trust, subject to 5% of the paid up capital and free reserves, being the statutory ceiling under SEBI SBEB Regulations. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust.

The Trust shall utilise the loan amount disbursed from time to time strictly for the acquisition of the Shares to be utilized for the purposes of the Scheme.

**p) Maximum percentage of secondary acquisition:**

The Scheme envisages secondary acquisition of 2,60,000 (Two Lakhs Sixty Thousand) Equity shares i.e. not exceeding 2% of the paid-up equity share capital, through the Trust. This is well within the statutory limit as prescribed under the SEBI SBEB Regulations.

**q) Accounting and Disclosure Policies:**

The Company shall follow the Accounting Standard IND AS 102 on Share based payments and/ or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in due compliance with the requirements of Regulation 15 of the SEBI SBEB Regulations. In addition, the Company shall

disclose such details as required under the applicable laws including under other applicable provisions of the SEBI SBEB Regulations.

**r) Method of Option valuation:**

The Company shall use such valuation method(s) as may be prescribed from time to time in accordance with applicable laws for valuation of the Options granted, to calculate the employee compensation cost.

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' report.

**s) Period of Lock-in:**

The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

**t) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Scheme:**

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

The Options to be granted under the Scheme shall not be treated as an offer or invitation made to public for subscription of securities of the Company and the Scheme confirms to the SEBI (SBEB) Regulations.

Regulation 6(1) of SEBI (SBEB) Regulations and other applicable provisions requires that every employee stock option scheme shall be approved by the Members of the Company by passing a special resolution in a general meeting. Further, as the Scheme may entails further issue of shares, consent of the Members is required by way of a special resolution pursuant to Section 62(1)(b) of the Act and other applicable provisions. Accordingly, the Special Resolution set out at item Nos. 1 and 2 of this Notice is proposed for approval by the members.

A draft copy of the Scheme will be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of conclusion of voting on all working days (Monday to Friday) between 10.00 a.m. and 1.00 p.m. at the Corporate Office of the Company.

Directors/Key Managerial Personnel of the Company/their relatives who may be granted Options under the Scheme may be deemed to be concerned or interested in the Special Resolutions at Item Nos. 1 and 2 of this Notice. Save as aforesaid, none of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

Accordingly, the Board recommends the Resolutions no. 1 and 2 of the accompanying notice of Postal Ballot for passing by the members of the Company as a Special Resolution. The Members are requested to approve the Special Resolution.

**Item No. 3:**

The Company intends to implement a new share-based employee benefit scheme namely ‘Cera Sanitaryware - Employee Stock Option Scheme 2024’ (“ESOS 2024” or “Scheme”) for which approval is sought from the members in separate resolutions at Item Nos. 1 and 2. This proposed Scheme shall be administered through an irrevocable employee welfare trust namely ‘Cera Sanitaryware Employees Welfare Trust’ (“Trust”) being set up by the Company. The proposed Scheme contemplates acquisition of equity shares (“Shares”) of the Company from fresh issue and/or secondary acquisition.

For facilitating acquisition of the Shares, the amount of loan to be provided by the Company under the Scheme shall not exceed 5% (Five percent) of the aggregate of the paid up equity share capital and free reserves of the Company, being the statutory ceiling as per the SEBI SBEB Regulations read with relevant provisions of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules, 2014.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of Shares including realization of exercise price and any other eventual income of the Trust.

Necessary details in this regard are provided as under:

**a) The class of employees for whose benefit the Scheme is being implemented and money is being provided for acquisition of the Shares:**

Following classes of employees and directors (collectively referred to as “Employees”) are eligible being:

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not, including a non-executive director, who is not a promoter or member of the promoter group but excluding an independent director; and
- (iii) an employee as defined in sub-clauses (i) and (ii), of a Group Company, in India or outside India, of the Company, **but does not include:**

- a) an employee who is a Promoter or a person belonging to the Promoter Group;
- b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

**b) The particulars of the Trustee or employees in whose favour such Shares are to be registered:**

It is contemplated that designated trustee shall acquire and hold the Shares of the Company in due compliance of the SEBI SBEB Regulations and Companies Act, 2013 solely for the purposes of the Scheme. An Employee shall be a registered owner of Shares pursuant to exercise of vested Options and transfer of corresponding number of Shares by the trustee.

**c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:**

The Trust is an irrevocable employee welfare trust with the name ‘Cera Sanitaryware Employees Welfare Trust’ (“Trust”) having its principal office at 9, GIDC Industrial Estate, Kadi, Dist. Mehsana- 382715. Particulars of the Trustee:

S. No.	Name	Address	Occupation	Nationality
1	KP Corporate Solutions Ltd	IndiQube The Kode, 7th Floor, S.No' 134 Hissa No. 1/38, Baner Pashan Link Road Pune - 471045	Service (In field of ESOP consulting)	Indian

The Trustee(s) of the Cera Sanitaryware Employees Welfare Trust’ shall be appointed/amended/added/ removed by the Board / NRC in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Regulations from time to time. The Trustees are neither a promoter, a director nor key managerial personnel of the Company nor is related to any of promoters, directors, or key managerial personnel.

**d) Any interest of key managerial personnel, directors or promoters in such Scheme or trust and effect thereof:**

Promoters are not eligible to be covered under the Scheme. However, key managerial personnel and directors (excluding independent directors) may be covered under the Scheme in due compliance with relevant Companies Rules read with SBEB Regulations.

**e) The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:**

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The Options shall be granted to the eligible employees on grant date. After exercising of the Options and payment of exercise price with applicable taxes, the Trust shall transfer corresponding number of Shares to the eligible employees. The eligible employees can then sell the Shares in open market and can reap the benefit.

**f) The details about who would exercise and how the voting rights in respect of the shares to be acquired under the Scheme would be exercised:**

The trustee(s) of the Trust shall not vote in respect of Shares held in the Trust as per extant SEBI SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him upon exercise.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

Consent of the members is being sought by way of a special resolution pursuant to the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 3(8) of the SBEB Regulations and other applicable provisions.

Accordingly, the Board recommends the Resolution no. 3 of the accompanying notice of Postal Ballot for passing by the members of the Company as a Special Resolution. The Members are requested to approve the Special Resolution.

**Regd. Office:**  
9, GIDC industrial Estate,  
Kadi – 382 715  
Dist. Mehsana,  
Gujarat, India  
CIN : L26910GJ1998PLC034400  
Date : 8<sup>th</sup> April, 2024

By order of the  
Board of Directors  
For Cera Sanitaryware Ltd.

**Hemal Sadiwala**  
Company Secretary  
(ACS:20741)