

BRAND-LED. CUSTOMER- FOCUSED.

CERA is building stronger customer-focused brands to enhance business responsibility, profitability and sustainability



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BRAND-LED. CUSTOMER- FOCUSED.

Over the years, CERA's growth has been shaped by a belief: strong brands are built by understanding customers better.

As Indian consumers have evolved — from seeking functional products to aspiring for design, wellness, convenience and self-expression — so has CERA.

Through differentiated products, experiences and service.

The result is a brand trust that encapsulates the emotion that *‘If it is CERA, it must be the best.’*

CHAIRMAN AND MANAGING DIRECTOR'S OVERVIEW

BRAND-LED. CUSTOMER- FOCUSED.

CERA is responding to evolving customer priorities while preparing for the next phase of growth



Vikram Somany
Chairman and Managing Director

Overview

The growth Indian sanitaryware and faucetware sector moderated in the last two financial years as Indian households staggered their spending in response to evolving economic realities and lifestyle choices.

What appeared, at first glance, to be a cyclical consumption deceleration was, in reality, a nuanced reallocation of discretionary household spending.

The post-pandemic surge in home improvement and renovation, which had buoyed demand through FY22-23, ceded ground to competing priorities — education, healthcare provisioning, mobility upgrades and financial deleveraging.

In this reprioritization, categories like sanitaryware and faucetware, though lifestyle-essential, encountered a purchase deferral. Even as consumers continued to seek better living environments, superior design and enhanced comfort, they deferred purchases while prioritizing their immediate financial commitments.

This moderation was visible in the behaviour of first-time home builders and mid-income renovators — the cohorts that have historically underpinned the sector's structural growth. Real estate completions continued, but the pace of interior fit-outs and finishing slowed, elongating project completion cycles. Concurrently, the liquidity tightening experienced in segments of the real estate ecosystem — especially among smaller developers — translated into a cautious procurement environment.

Yet, even within this environment of moderated offtake, the underlying demand drivers remained intact. India continues to urbanize at a pace that is steady and irreversible. The government's sustained thrust on housing growth through flagship programmes, the steady formalization of the economy, rising aspirations of a young demographic, and the increasing penetration of branded products in Tier II, III and IV markets collectively provided a durable foundation for the sanitaryware industry and reinforced our confidence that Indian consumers will continue to upgrade their homes in the pursuit of better lifestyles.

Within this context, CERA focused on understanding and responding to evolving customer priorities while continuing to strengthen its brands and market presence. The Company reported revenue growth of 7% during FY25-26, supported by a strong second half and the year's best quarterly performance in Q4. Margin moderation during the year reflected a deliberate combination of elevated trade support to accelerate channel recovery, sustained investment in Senator and Polipluz, and a higher brand-building expenditure — choices that our management made in full cognizance of a near-term profitability impact, in favour of a long-term positioning. These investments were directed to strengthen our ability to serve customers — whether through the premium appeal of Senator, the value proposition of Polipluz, enhanced retail experiences,

deeper digital engagement or widened distribution.

Macro-economic tailwinds and the inflection of demand

The latter half of FY25-26 marked a perceptible inflection in consumption sentiment. Policy interventions played a catalytic role. The tax rationalizations introduced in the Union Budget 2026, coupled with selective GST reductions on building materials and home improvement categories, enhanced disposable income in the hands of consumers. This translated into a revival of discretionary home spending, particularly in categories that had witnessed deferred demand.

India's consumption story, often characterized by its elasticity to income visibility, responded predictably. As household incomes strengthened and inflation moderated in key consumption baskets, consumers reviewed their postponed decisions, particularly those linked to home improvement.

For the sanitaryware sector, the recovery was led by the mass and mass-premium categories, where value-conscious consumers sought trusted brands that combined durability, aesthetics, innovation and affordability while reflecting their evolving aspirations. This segment, expansive in size and broad in geographic spread, became the fulcrum of the industry's revival.

CERA's performance mirrored — and indeed leveraged — this shift, reflecting the Company's ability to remain connected to customer expectations. A substantial proportion of the Company's revenues and EBITDA accrued during the second half of

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the financial year, underscoring its responsiveness to the demand recovery. The fourth quarter, in particular, emerged as the strongest, accounting for a significant share of the year's financial performance. This back-ended growth trajectory provided a meaningful carry-forward into the current financial year, with demand visibility improving across markets.

Operational resilience amid input uncertainties

The year under review was not without its operational challenges. The global geopolitical environment, particularly the tensions arising from the US-Iran conflict, had a direct bearing on the energy markets. Natural gas, a critical input for the sanitaryware industry given its role in kiln operations, witnessed supply constraints and price volatility.

For several industry participants, this translated into production disruptions. Small and less integrated players, lacking assured access to gas, were compelled to curtail or suspend operations. In such an environment, operational continuity became a competitive differentiator, enabling companies to maintain product availability and service consistency for customers and channel partners.

CERA's long-standing gas allocation arrangement with Gas Authority of India Limited (GAIL) proved to be a strategic advantage. Combined with prudent inventory management and adequate stock levels across key product categories, the Company sustained production continuity through peak supply constraints and ensured

CERA'S LONG-STANDING GAS ALLOCATION ARRANGEMENT WITH GAS AUTHORITY OF INDIA LIMITED (GAIL) PROVED TO BE A STRATEGIC ADVANTAGE. COMBINED WITH PRUDENT INVENTORY MANAGEMENT AND ADEQUATE STOCK LEVELS ACROSS KEY PRODUCT CATEGORIES, THE COMPANY SUSTAINED PRODUCTION CONTINUITY THROUGH PEAK SUPPLY CONSTRAINTS AND ENSURED UNINTERRUPTED MARKET SERVICING.

uninterrupted market servicing. This preparedness enabled CERA to meet customer requirements, support channel partners and maintain delivery commitments at a time when many competitors faced operational disruptions. The Company's ability to continue supplying the market not only reinforced stakeholder confidence but also strengthened its competitive positioning and market share. While some competitors were still normalizing production and replenishing stocks, the Company was able to respond swiftly supported by both uninterrupted manufacturing operations and readily available inventories.

This episode underscored the importance of input de-risking and supply chain preparedness in manufacturing businesses. Strategic sourcing arrangements, supplier diversification, long-term contracts, ability to internalize outsourced SKUs and disciplined inventory planning are no longer optional efficiencies; they are foundational to resilience and sustainable value creation.

Preparedness: Building capacity for the next cycle

After two years of moderated growth, CERA stands at the cusp of a renewed expansion phase, supported by a deeper understanding of customer needs and a stronger alignment between its brand portfolio and evolving market aspirations. The Company's current capacity utilization in the sanitaryware segment remains below peak levels, indicating a meaningful headroom for volume growth without immediate large-scale capital expenditure.

The Company is enhancing its faucetware manufacturing capacity from 4 lakh units to 5 lakh units per month through brownfield debottlenecking, with the expanded capacity expected to become operational from Q4 FY26-27. In parallel, land acquisition for the next phase of sanitaryware capacity expansion has been completed, ensuring that the

Company is strategically prepared to scale at an opportune moment.

Demand outlook: A sector poised for acceleration

The outlook for the sanitaryware and faucetware sector in India appears increasingly constructive. Retail demand is witnessing a steady revival, supported by improved consumer sentiment, policy tailwinds and the conversion of deferred purchase intent into active consumption.

The Company is expected to grow in the range of 18-20% during the current financial year, building on the momentum of H2 FY25-26. This growth is likely to be broad-based, encompassing new constructions and renovation activities as consumers increasingly prioritize better-designed, more functional and aesthetically appealing living environments.

CERA, with its established positioning in the mass-premium segment and its commitment to remaining deeply connected to customer needs, is placed to participate in – and outperform – this growth trajectory by 500 basis points.

Our strategy is anchored in building stronger brands by understanding

evolving lifestyles, anticipating consumer aspirations and delivering differentiated experiences through innovation, portfolio enhancement, distribution strength and operational excellence. We believe this customer-focused approach will continue to strengthen our market relevance, deepen trust and create sustainable long-term value.

Vikram Somany

Chairman and Managing Director

THE GRANDMOTHER'S OBSERVATION.

My grandmother visited the new house last Diwali.

She walked through every room. She said nothing about the new sofa, nothing about the repainted walls. She went into the bathroom, ran the tap for three seconds, and turned to me.

“Good water,” she said.

She meant: good house. She meant: you chose well. She meant: I am not worried about you.

She had never heard of the CERA brand. She will never read this. But somewhere in the design of that faucet – the flow, the pressure, the

quiet – was a decision made by an engineer in Gujarat that made grandmother feel, for one moment, that her grandchild had settled properly.

I find this extraordinary.

Surbhi Mehta,
Software engineer

PART ONE

INTRO DUCTION TION

CERA Sanitaryware Limited.

A brand that has steadily shaped the aspiration for modern Indian bathrooms.

India's leading name in sanitaryware, faucetware and complete bathroom solutions.

A Company that transformed bathrooms from functional spaces into expressions of comfort, design and personal pride.

Over the years, CERA has deepened its presence through a refined portfolio of premium products, thoughtful innovation and an unwavering commitment to quality.

The result is a brand relationship built not merely on visibility, but on belief.

A belief echoed across homes, dealers, architects and institutions alike: "What superior quality! Must be CERA."

Background

Established in 1980 by Mr. Vikram Somany, Chairman and Managing Director, CERA initially operated as a division of Madhusudan Industries Limited, the parent company founded in 1945. In 2001, CERA was demerged into Madhusudan Oils and Fats Limited, which is now known as CERA Sanitaryware Limited.

Under the leadership of Mr. Vikram Somany, the Company is guided by a Board of Directors comprising distinguished professionals. Over the years, it earned widespread respect for setting industry benchmarks through innovation and for reinforcing its brand promise that CERA is a brand that takes customers ahead.

Footprint

CERA's corporate headquarters is based in Ahmedabad, Gujarat, in proximity to its key manufacturing facility. As of 31st March, 2026, the Company had established an extensive

distribution network comprising over 7,000 distributors and dealers (authorized stockists) and over 29,000 retailers across the country.

Its strong pan-India footprint is supported by 15 zonal sales and service offices, along with a widespread brand experience network that includes 13 CERA Style Studios, 272 CERA Style Galleries, 292 CERA Style Hubs, and 1,613 CERA Style Centres.

Manufacturing

The Company operates a state-of-the-art manufacturing facility at Kadi, Gujarat. The plant is connected to a natural gas pipeline, ensuring efficient and reliable energy supply. Its strategic location provides strong road connectivity to major cities across India, enabling a timely distribution of finished products.

Research and development

CERA was India's first sanitaryware company to be DSIR-certified for in-house research and development team (15 members). This empowered the Company to create dynamic pipeline of innovative product features and enhance the effectiveness of processes.

People

As on 31st March, 2026, CERA employees were 1,313 excluding workers, possessing manufacturing, design, quality, finance, sales, service and compliance competencies, among others. The average team age was 39 years old at the close of FY25-26.

Listing

The Company's equity shares were listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). As of 31st March, 2026, the Company's market capitalization stood at Rs.5,885 crore on the BSE and NSE.

Quality

The Company's Quality Management System reflects a strong commitment to continuous improvement and operational excellence. Its products and processes are certified under several prestigious national and international standards. The Company was the first in India's sanitaryware industry to achieve ISO 9002 and ISO 14001 certifications, underscoring its long-standing commitment to quality and sustainability.

IAPMO Green UPC Certification (Sanitaryware): Validates compliance with global benchmarks for water efficiency and sustainability.

WEP Green Faucets Certification: Confirms adherence to water conservation and environmental sustainability criteria for faucets.

CE Certification: Demonstrates conformity with European safety, health, and environmental protection standards.

Bureau of Indian Standards (BIS) Certification: Ensures compliance with Indian quality and safety requirements.

GreenPro Certification: Recognizes the use of sustainable and environmentally responsible manufacturing practices.

CII – Green Products and Services Council Certification: Endorses the Company's eco-friendly product portfolio.

GRIHA Council Certification: Establishes alignment with green building and sustainability standards under GRIHA.

ISO 9002 – Quality Management Systems: Confirms robust systems governing production, installation, and servicing processes.

ISO 14001 – Environmental Management Systems: Validates adherence to internationally recognized environmental management practices.

ISO 45001 – Occupational Health and Safety Management Systems: Ensures strong workplace safety and employee well-being standards.

NABL (National Accreditation Board for Testing and Calibration Laboratories (NABL)): Applies to faucetware plant's quality laboratory, demonstrating that the lab is technically competent, follows internationally recognized testing procedures and produces reliable, traceable test results.

Brands

The Company is a leading provider of integrated home solutions, offering a wide portfolio of products such as sanitaryware, faucets, tiles, kitchen sinks, mirrors, shower panels, and wellness solutions, marketed under multiple brands including Senator, Lustre, CERA Luxe, and CERA. During the year under review, the Company launched Poliplus, which provides affordable bathroom solutions in rural and semi-urban regions.

Awards and recognition

- Trusted Brand Award
- DB Superbrand Award
- Design Wall Award
- CREDAI Growth Ambassador Award
- Reader Digest Trusted Brand Award
- Business Standard Star SME of the Year award

- The Best Mid-sized Company by Nav Gujarat Samay and Times of India
- The Economic Times A&D Top 100 Brands award
- Indian Power Brand award
- Product of the Year Award for CERA's Core Urinal was recognized as a ground-breaking innovation at the Design Wall competition hosted by Economic Times Acetech.

Affiliations

- CREDAI Preferred Partner
- Member, Institute of Indian Interior Designers
- Member, Indian Green Building Council
- Member, Indian Plumbing Association

Shareholding in our company



● Promoter	54.4%
● Foreign institutions	14.2%
● Retail investors and others	17.3%
● Mutual funds & Insurance Companies	14.1%

SENATOR

CERA
LUXE

CERA



SENATOR
Luxury bathrooms, crafted to inspire.



CERA LUXE
Elevated living, within reach.



CERA
Trusted by millions of Indian homes.

2,050

Rs. crore, revenue in FY25-26

1,700

Number of new products developed in the last three years

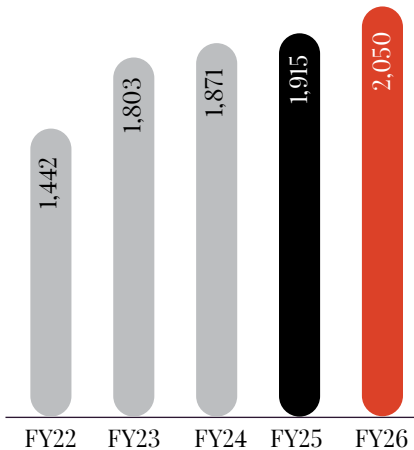
HOW CERA HAS GROWN OVER THE YEARS DESPITE MARKET CHALLENGES

Over the years, CERA has combined brand strength, innovation, distribution expansion and operational discipline to build a larger and enduring business.

During FY25-26, the Company crossed the Rs.2,000 crore revenue mark, reflecting the strength of its market position and growth strategy.



REVENUE (In Rs. crore)



Definition

Growth in sales, net of taxes.

Why this is measured

This is a key indicator of the Company's ability to maximize revenues. It provides a basis for comparing performance with sectoral peers and tracking business momentum over time.

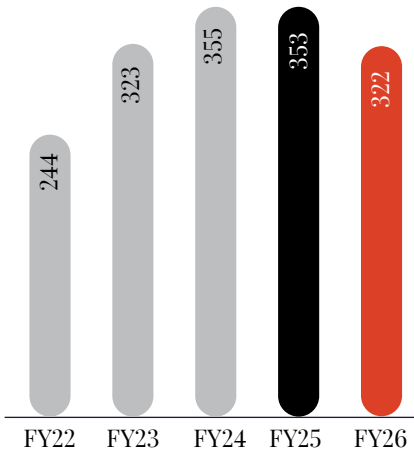
What this means

Stronger revenue growth enhances income generation, enabling the Company to meet operating expenses, invest in expansion, and strengthen financial stability.

Value impact

The Company reported a revenue of Rs.2,050 crore during the year under review, driven by strong performance in the sanitaryware and faucetware segments. Growth was supported by improving retail demand, sustained momentum in the projects business, strategic price revisions, expansion across key markets, a wider distribution network, and enhanced brand-building initiatives.

EBIDTA (In Rs. crore)



Definition

Earnings before the deduction of fixed expenses such as interest, depreciation, extraordinary items, and tax.

Why this is measured

This indicator reflects the Company's ability to generate an operating surplus after covering core operating costs. It also provides a useful basis for comparison with sectoral peers.

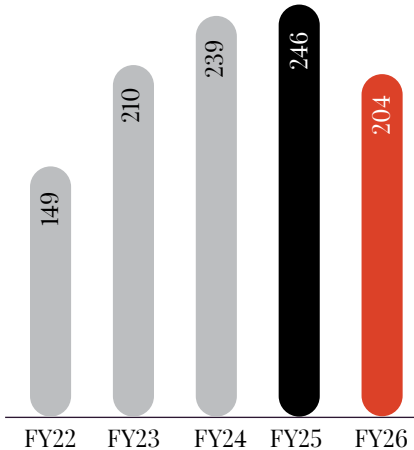
What this means

A healthy EBITDA supports the creation of a strong surplus-generating engine, enabling reinvestment in growth, efficiency, and long-term value creation.

Value impact

The Company reported 9% decline y-o-y in EBITDA on account of continued pressure on gross margins due to inflated brass and other input costs, higher trade discounts offered to support demand recovery, and pre-operating expenses related to the expansion of the Senator and Polipluz brands.

PAT (In Rs. crore)



Definition

Profit earned during the year after deducting all expenses and provisions.

Why this is measured

This metric highlights the strength and resilience of the business model in enhancing shareholder value.

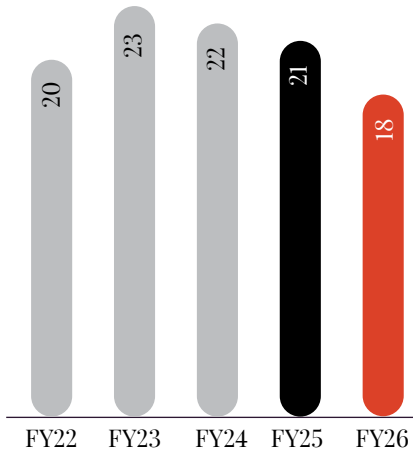
What this means

A healthy profit after tax ensures that adequate surplus is available for reinvestment in operations, strengthening reserves, and supporting future growth.

Value impact

The Company reported a PAT of Rs.204 crore, representing a 17% decrease over the previous year primarily due to pressure on operating margins arising from elevated raw material costs, higher trade discounts, and continued investments in strategic growth initiatives including Senator and Polipluz, along with higher marketing and brand-building expenditure during the year.

ROCE (%)



Definition

This financial ratio measures the efficiency with which capital is employed in the business.

Why this is measured

ROCE is a meaningful indicator for comparing profitability across companies based on how efficiently they use their capital.

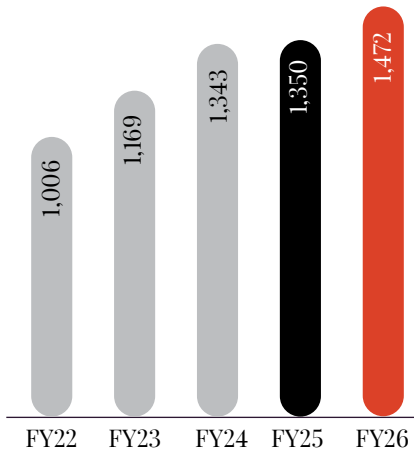
What this means

An improved ROCE can enhance investor confidence, potentially supporting stronger valuations and positive market perception.

Value impact

The Company reported a 300 basis points decrease in ROCE compared to the previous year on account of input cost pressures, elevated trade discounts, and continued investments towards brand-building, retail expansion, capacity enhancement, and strategic growth initiatives under the Senator and Polipluz brands.

NET WORTH (In Rs. crore)



Definition

This is derived through the accretion of shareholder-owned funds

Why this is measured

Net worth indicates the financial soundness of the Company – the higher the better.

What this means

This indicates the borrowing capacity of the Company and influences the gearing (which, in turn, influenced the cost at which the Company can mobilize debt)

Value impact

The Company's net worth increased by 9% to Rs.1,472 crore on account of healthy internal accruals and retained earnings generated during the year, supported by a strong balance sheet, disciplined working capital management, prudent capital allocation, and robust cash and cash equivalents of Rs.853 crore as of 31st March, 2026.

CULTURE

THE DISTINCTIVE CERA CULTURE.

How we are redefining it for an exciting world and future.

Overview

In FY25-26, CERA undertook a defining cultural reset by refreshing its Vision, Mission and Core Values — a strategic reaffirmation of who it is, what it stands for and where it aspires to go.

For a company of CERA's scale and legacy, such a transformation extended beyond a change in language; it signaled organizational evolution.

It reflected an alignment of purpose with a changing marketplace, growth ambitions and a renewed

commitment to innovation, agility and customer centricity.

For CERA, this was not merely a symbolic exercise, but a powerful statement of intent — reinforcing its readiness to lead, adapt and create enduring value in the years ahead.

Vision

Legacy

Leading provider of bathroom solutions that prioritize sustainability, delivers value to stakeholders, and enhances customer experience.

Modern

To be the workplace of choice by cultivating a high-performance, family-centric culture that blends deep compassionate care with operational excellence, driving CERA's premium brand journey.

Our cultural reset

Legacy

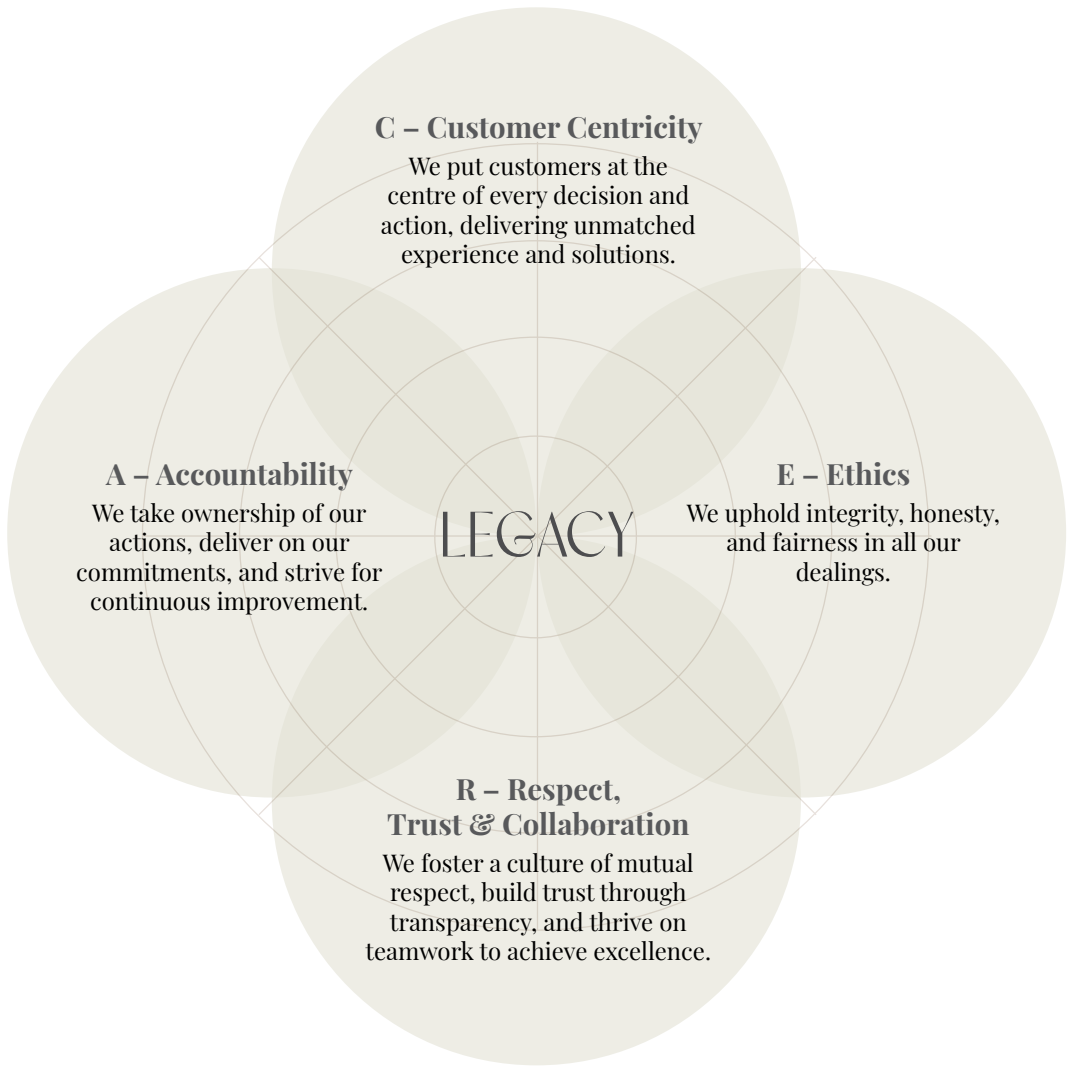
To deliver innovative, high-quality bathroom solutions that embrace sustainability, cutting-edge technology, and emerging trends, while fostering customer-centricity, enhancing brand equity, and achieving significant growth in both mass and luxury markets.

Modern

We exist to nurture, empower, and safeguard the architects of our premium products, fostering an environment where talent thrives and performance excels.

Mission

Core Values



Modern

People First, Care Always: We approach our workforce with empathy, love, and active care, ensuring that every employee and their family feels safe, secure, and valued in our hands.

Mutual Respect & Unyielding Trust: We foster an inclusive workplace built on the foundation of transparency, open communication ('One Culture – One Communication'), and deep respect for the dignity of every individual.

Safety & Wellbeing First and Foremost: We are uncompromisingly committed to absolute physical safety, occupational health, and a healthy work-life integration through proactive wellness and dedicated self-care.

Ownership & Individual Accountability: We instill a mindset of execution excellence, encouraging our members to take complete ownership of their roles, live our commitments, and drive performance.

The Pursuit of Continuous Learning: We champion an agile, learning-oriented environment that continuously builds internal capabilities, refines technical skills, and nurtures future leaders at every level.

Harmony & Collaboration: We thrive on collaborative teamwork and harmonious industrial relations, bridging gaps across functions and locations to achieve collective organizational excellence.



LOOKING AHEAD

CERA'S RENEWED CULTURAL BLUEPRINT

This will drive the Company's next phase of growth

Big picture

At CERA, we recognize that enduring success is shaped by the ability to evolve ahead of changing market realities.

During FY25-26, CERA announced a refreshed Vision, Mission and Core

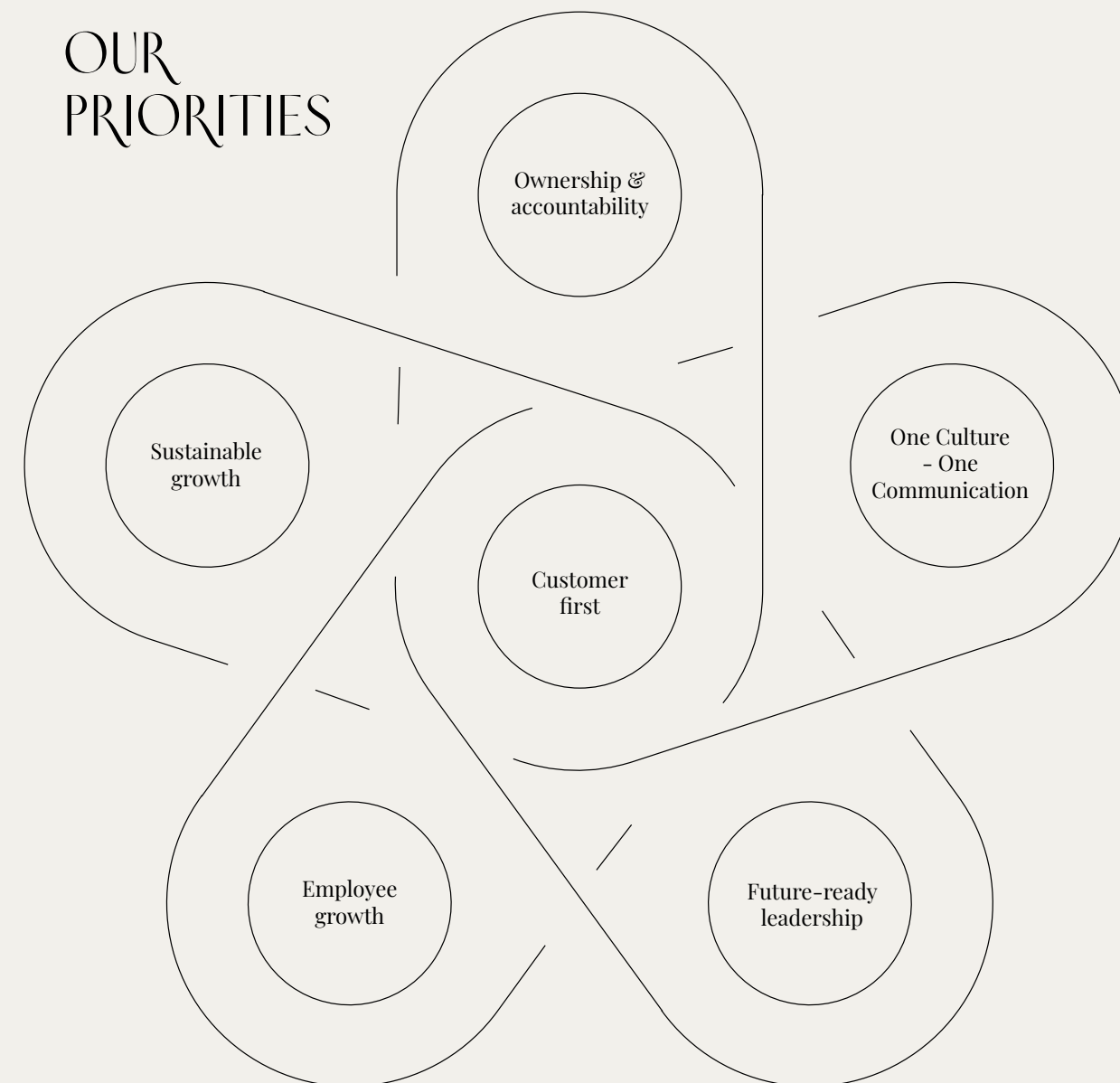
Values, marking a milestone in the Company's evolution.

This refresh reflects the Company's intent to align its cultural framework with its next growth chapter — one defined by sharper customer centricity, stronger execution

discipline, deeper collaboration and increased focus on premium leadership.

This is a strategic reaffirmation of what CERA is, what it stands for and how it seeks to create long-term value.

OUR PRIORITIES



A new beginning

At CERA, the refresh emerged through 360-degree discussions across functions, where the need was identified for a sharper, more contemporary and execution-oriented framework.

As CERA strengthened its premium positioning and advanced its operational excellence agenda, the refreshed framework established the behavioural anchors needed to support this transition.

It sought to build on the Company's longstanding strengths while

preparing the organization for new opportunities shaped by evolving consumer preferences and market expectations.

The refreshed framework was designed to deepen capabilities across critical dimensions.

It will reinforce a stronger customer-first mindset to respond to changing aspirations.

It will promote greater multi-level accountability and ownership to accelerate decision-making.

It will encourage stronger cross-functional collaboration through the One Culture – One Communication.

It will strengthen leadership development and capability building to enhance CERA's future-readiness.

It will deepen employee engagement and retention through aligned empowerment and performance.

Most importantly, it will align organizational behaviour with CERA's premium brand ambition and long-term growth vision.

PART TWO

OUR SENIOR MANAGEMENT'S PERS- PEC- TIVES

VICE CHAIRMAN AND JOINT MANAGING DIRECTOR'S OVERVIEW



Deepshikha Khaitan
Vice Chairman and Joint
Managing Director

THE POWER OF THE BRAND- LED AND CUSTOMER- CENTRIC PROPOSITION

Strategic focus

CERA's sustained emphasis on the mass and mass-premium segments represents a strategic clarity that has been refined over time. This segment occupies a distinctive space within the consumption pyramid — aspirational customers who seek products that exceed the functional baseline without entering the rarified price bands of international luxury offerings.

In India's evolving consumption landscape, this segment is expanding rapidly. Rising incomes, increasing exposure to global design standards, and a growing preference for branded products have elevated expectations even within mid-income households. Bathrooms, once purely utilitarian, are increasingly being reimagined as expressions of personal comfort and aesthetic sensibility.

CERA's alignment with this segment enabled it to respond with agility when demand revived. Its portfolio, calibrated to deliver a compelling volume-value equation, resonated with consumers seeking affordability and enhancement — and the Company was among the early beneficiaries of the sectoral recovery. Sales grew 7% during the year, with focused expansion across Bihar, Jharkhand, Odisha, Madhya Pradesh and Chhattisgarh, deepening channel penetration and opening new customer segments. This opportunity extends beyond favourable market dynamics. As expectations evolve, purchasing decisions are increasingly influenced by design, innovation, quality and trust. This reinforces our conviction that consumers increasingly seek integrated solutions that combine design, quality and trust, rather than standalone products.

Cost pressures and pricing discipline

During the year under review, the fauceware segment encountered a set of challenges, primarily driven by input cost inflation. Brass, a key raw material constituting nearly 60% of fauceware costs, experienced a price increase of approximately 30% during the year. Such inflationary spikes exerted a pressure on margins and necessitated calibrated pricing responses.

The ability to pass on cost increases without eroding demand is a function of brand strength, product differentiation and market positioning. In the mass-premium segment, where price sensitivity co-exists with quality expectations,

OUR AMBITION IS NOT SIMPLY TO GROW ALONGSIDE THE INDUSTRY, BUT TO HELP SHAPE ITS FUTURE BY SETTING HIGHER BENCHMARKS IN DESIGN, INNOVATION AND CONSUMER EXPERIENCE. AS CONSUMER EXPECTATIONS CONTINUE TO EVOLVE, WE WILL REMAIN FOCUSED ON STRENGTHENING OUR BRANDS, DEEPENING CONSUMER ENGAGEMENT AND CREATING EXPERIENCES THAT BUILD ENDURING TRUST.

this balance becomes particularly delicate. A trusted brand enables calibrated pricing actions while sustaining consumer confidence because purchasing decisions increasingly reflect the overall experience a brand offers, rather than price alone.

Manpower, markets and the discipline of execution

FY25-26 demanded sustained execution discipline across every people-facing function. Recruiting, retaining and motivating a high-performance sales workforce in a year of margin pressure and competitive intensity required deliberate effort. The Company invested in structured

training programmes to upgrade team capabilities across levels, and in building the internal culture and morale that sustains performance over the long term. The year also saw focused investment in people development beyond the sales function — building organizational depth and institutional capability that will compound over time. A notable achievement during the year was the swift establishment of dedicated teams for Senator and Polipluz brands. This enabled the rollout of 40 Senator flagship stores and the onboarding of 102 Polipluz distributors and 1,120 dealers during FY25-26, creating a strong foundation for growth.

Sales transformation and channel execution

The most consequential structural change last year was the reorganization of our sales architecture into focused vertical task forces — one each for CERA, CERA Luxe, Senator and Polipluz. This sharpened accountability, improved conversion efficiency and enabled each brand to be sold with the focus it deserves.

Alongside this, the Company enhanced its Delegation of Authority framework to improve speed and decision quality at the field level — a change that meaningfully improved sales productivity. Underperforming regions and teams were revitalized, delivering measurable turnarounds in markets that had been below potential.

Channel loyalty programmes were scaled significantly: approximately 29,000 retailers and 73,000 plumbers were onboarded, with substantial retailers and plumbers enrolled across CERA's Superstar and Star Plumbing programmes, strengthening repeat engagement and

deepening market reach. The rollout of our Dealer Management System across the top channel brought real-time sell-out visibility to every level of the sales organization — a shift that has fundamentally changed how CERA makes commercial decisions.

We increasingly view distribution not merely as a route to market, but as an extension of the brand experience, ensuring consistency from product discovery to installation and after-sales support.

Brand building, marketing and digital transformation

Brand-building last year was structured and measurable. An integrated marketing approach — combining digital and traditional channels — strengthened brand visibility and recall across geographies. On the digital front, investments in social media, SEO and content marketing improved engagement metrics and lead generation meaningfully. Data-driven decision-making was embedded into product investment and marketing allocation, ensuring that spends were directed where impact was the highest. Accordingly, we continued our evolution from a product-centric organization to a consumer-centric brand ecosystem. Our four-brand portfolio (CERA, CERA Luxe, Senator and Polipluz) — each with a distinct identity and consumer — now lets us participate across the full spectrum of the market without diluting the mother brand. That breadth is an advantage no single-brand competitor can replicate. The elevated Senator product standards, redefined modern luxury through innovative design, superior craftsmanship, and future-forward elegance.

High-impact campaigns executed during the year included initiatives that received external recognition. Institutional brand tie-ups with QSR chains, banking institutions and café chains further strengthened product visibility and adoption among aspirational consumer cohorts.

Product innovation and portfolio evolution

CERA's product development engine continued to operate at sustained intensity — drawing on structured R&D and design capabilities to translate consumer insight into

OUR FOUR-BRAND PORTFOLIO (CERA, CERA LUXE, SENATOR AND POLIPLUZ) — EACH WITH A DISTINCT IDENTITY AND CONSUMER — NOW LETS US PARTICIPATE ACROSS THE FULL SPECTRUM OF THE MARKET WITHOUT DILUTING THE MOTHER BRAND.

market-ready innovations. Around 1,700 new products were developed over the last three years, with new launches contributing meaningfully to overall revenues — keeping the portfolio contemporary and aligned with evolving consumer preferences and the Company's premiumization strategy. Through design innovation, advanced technology, premium finishes and differentiated offerings, CERA—is driving premiumization in Indian consumption while retaining its mass-premium positioning. This strategy strengthens its product mix, enhances brand relevance and

supports sustainable long-term growth.

Across CERA, CERA Luxe and Senator, innovation has been the thread connecting portfolio breadth with customer aspiration.

Looking ahead

The performance reinforced our conviction that sustainable outperformance is not the result of any single initiative, but of the cumulative effect of getting many things right simultaneously — the right products, the right people, the right channels and the right brand investments. Our ambition is not simply to grow alongside the industry, but to help shape its future by setting higher benchmarks in design, innovation and consumer experience. As consumer expectations continue to evolve, we will remain focused on strengthening our brands, deepening our consumer engagement and creating experiences that build enduring trust.

As the sector transitions from recovery to growth, CERA enters the new financial year with a sharpened execution capability, a strengthened team and a portfolio calibrated for the demand environment ahead.

Deepshikha Khaitan

*Vice Chairman
and Joint Managing Director*



CHIEF FINANCIAL OFFICER'S REVIEW



HOW CERA CONTINUED TO STRENGTHEN ITS BUSINESS WHILE PROTECTING ITS IMMEDIATE PROFITABILITY

Overview

During the year under review, revenue increased by 7%. EBITDA and Profit After Tax were at 15% and 10%, respectively. Revenue growth was largely volume-led, with momentum strengthening in the second half of

the year. Growth was driven by robust performance in sanitaryware and faucetware, improving retail demand, traction in the projects business, and continued expansion of the Company's distribution network.

Profitability was affected by elevated brass and energy costs, higher trade discounts and continued investments in brand-building, market development and scaling of the Senator and Polipluz brands. These investments were undertaken to strengthen the Company's

competitive positioning and support future growth.

Margins: Margin performance was affected by elevated brass costs, which were not fully recovered through pricing during the year, creating a temporary 1-2% gap between cost inflation and price realization. Moreover, higher trade discounts extended to accelerate channel recovery and support market share gains exerted a further pressure on margins. While price increases were implemented, they were calibrated to avoid demand disruption in price-

sensitive segments, resulting in a measured approach to cost pass-through. Encouragingly, EBITDA (excluding Other Income) improved from 10% in Q3 FY25-26 to 15% in Q4 FY25-26, with the full-year margin reaching at 13%. With calibrated pricing actions already implemented, trade discounts expected to normalize progressively and input costs remaining stable, the management is confident of sustaining EBITDA margins in the range of 13-14% going forward.

THE COMPANY MAINTAINED DISCIPLINED COST MANAGEMENT WHILE CONTINUING TO INVEST IN STRATEGIC GROWTH PRIORITIES.

Year	FY24	FY25	FY26
Revenue growth (%)	4.2	2.4	7.0
EBITDA(Excl. Other Income) growth (%)	0.7	(1.2)	(7.4)
PAT growth (%)	14.1	3.1	(17.2)
% of revenues from West India	21	21	22
% of revenues from North India	33	33	34
% of revenues from South India	36	35	33
% of revenues from East India	9	9	10

Business mix and growth drivers

The Company's diversified portfolio and pan-India presence enabled it to capture growth opportunities across product categories and markets. Sanitaryware remained the largest contributor to revenues, followed by faucetware, while tiles and wellness

products continued to provide portfolio breadth and customer engagement opportunities.

Segment-wise performance: The Company balanced sectorial focus with portfolio diversification. The Company generated 48% of the turnover from the sanitaryware segment, was followed by the

faucetware segment that contributed 41% of revenues; the tiles segment accounted for 10% and the wellness segment accounted for 1% of the Company's revenues in FY25-26. The sanitaryware segment's revenues increased by 5.4%, while the faucetware segment revenues grew 13.7%.

Year	FY24	FY25	FY26
% of revenues from the sanitaryware segment	52	49	48
% of revenues from faucetware segment	36	39	41
% of revenues from tiles segment	10	10	10
% of revenues from wellness segment	2	2	1

Manufacturing excellence: The Company continued to follow a balanced operational model that combined in-house production with outsourcing partnerships. During FY25-26, CERA continued to strengthen its manufacturing capabilities through investments in automation, process optimization,

backward integration and quality enhancement. The Company expanded in-house production across critical processes, improved machining precision, enhanced material recovery and upgraded testing infrastructure, resulting in better operational efficiency, greater manufacturing flexibility and stronger

quality consistency. These initiatives reduced external dependence, accelerated premium product development and reinforced the Company's ability to respond quickly to evolving market demand while supporting long-term, sustainable growth.

Sanitaryware

Year	FY24	FY25	FY26
% of revenues derived from sanitaryware products outsourced by the Company	58	57	59
% of revenues derived from sanitaryware products manufactured by the Company	42	43	41

Faucetware

Year	FY24	FY25	FY26
% of revenues derived from faucetware products outsourced by the Company	51	48	47
% of revenues derived from faucetware products manufactured by the Company	49	52	53

Capital efficiency: Return on Capital Employed was 17.8% in FY25-26 as against 21.4% in FY24-25, reflecting the combined effect of temporary margin compression and new brand

initiatives that are yet to contribute fully to earnings. Return on Equity stood at 14.5%, moderated by lower profitability during the year. The management expects returns to

improve as volume growth and operating leverage will contribute more meaningfully to earnings going forward.

Year	FY24	FY25	FY26
Return on Capital Employed (%)	22.2	21.4	17.8
Return on Equity (%)	19.0	18.3	14.5

Expenditure: The Company maintained disciplined cost management while continuing to invest in strategic growth priorities. Expenditure during the year reflected investments in brand-building and channel development, balanced by ongoing efforts to improve operating efficiency. Cost of Goods Sold remained under pressure during

FY25-26 due to a sharp increase in brass prices, the Company's largest raw material for faucetware, which could not be fully offset through calibrated price increases. Gross margins were further impacted by higher trade discounts extended to support channel recovery and sustain market share amid improving retail demand. Stable gas costs helped

partially mitigate broader input cost inflation. Selling and marketing expenditure also reflected continued investment in brand building, with approximately Rs.4 crore spent on the launch and retail expansion of our premium brand – Senator, laying the foundation for a broader scale-up of brand investments in FY26-27.

Year	FY24	FY25	FY26
Cost of Goods Sold as a % of revenue	47.2	47.5	50.6
Advertising and promotion expenses as a % of revenue	3.4	2.8	2.4

Working capital management: Working capital efficiency improved meaningfully during FY25-26. Inventory days was 71 days compared

to 73 days in the previous year, receivable days increased from 38 to 41 and payable days increased from 56 to 58.

Inventory levels were maintained at prudent levels to ensure supply continuity and meet customer demand, particularly amid temporary

disruptions due to US- Iran war situation. Trade receivables reflected calibrated credit management

aligned with revenue growth and the Company's continued focus on healthy

collections while supporting channel partners and project customers.

Year	FY24	FY25	FY26
Working capital cycle (days of turnover equivalent)	38	55	54
Receivables cycle (days of turnover including GST equivalent)	32	38	41
Inventory cycle (days of turnover equivalent)	72	73	71
Payable cycle (days of purchase including GST equivalent)	66	56	58

Capital allocation and financial strength

Surplus: The Company reported cash profit (profit after tax plus

depreciation and deferred tax) of Rs.254 crore during FY25-26. The Board proposed a dividend payout of Rs.97 crore, reflecting its commitment

to deliver shareholder returns while retaining sufficient resources to fund future growth.

Year	FY24	FY25	FY26
Cash profit (Rs. crore)	289	265	254
Proposed dividend outgo (Rs. crore)	78	84	97

Liquidity: The Company's liquidity position remained strong. Cash reserves increased to Rs.853 crore as of 31st March 2026 from Rs.719

crore a year earlier, supported by healthy operating cash generation, stable working capital efficiency and disciplined capital allocation. The

Company remained net cash positive throughout the year.

Year	FY24	FY25	FY26
Current ratio (x)	3.7	3.8	4.3
Quick ratio (x)	2.8	2.7	3.2

Cash flow management: The Company generated Rs.254 crore from operating activities during the year, reflecting the resilience of its business model and underlying profitability. Free cash flow to the firm

stood at Rs.192 crore compared with Rs.89 crore in FY24-25.

Debt management: The Company maintained a conservative Balance Sheet and prudent debt profile throughout the year. Net worth increased from Rs.1,350 crore

to Rs.1,472 crore, while leverage remained low and interest coverage remained strong. The Company continued to retain substantial financial flexibility, supported by strong internal accruals and a net cash position.

Year	FY24	FY25	FY26
Debt-equity ratio	0.03	0.05	0.03
Interest coverage ratio	60.6	44.2	43.8

Credit rating: The Company continued to maintain its CARE AA; Stable / CARE A1+ ratings for long-

term and short-term bank facilities. These ratings reflect the Company's strong balance sheet, healthy

liquidity profile and prudent financial management practices.

Year	FY24	FY25	FY26
CARE	AA; STABLE / A1+	AA; STABLE / A1+	AA; STABLE / A1+
CRISIL	AA/STABLE	AA/STABLE	AA/STABLE

Growth investments

Capacity expansion: The Company's capital expenditure programme remain focused on strengthening manufacturing capabilities and supporting growth opportunities.

Accordingly, the Company is increasing faucetware manufacturing capacity from 4 lakh units per month to 5 lakh units per month through

debottlenecking and brownfield optimization at its existing facility. The project involved a capital outlay of approximately Rs.4-5 crore, funded entirely through internal accruals, and is expected to be commissioned during FY26-27.

The expansion will improve operational flexibility and strengthen supply reliability while enabling the

Company to support anticipated growth in the faucetware segment.

Total capital expenditure during FY26-27 is expected to be approximately Rs.43-45 crore, comprising routine maintenance capex of around Rs.25 crore, faucetware expansion expenditure of Rs.4-5 crore and approximately Rs.15 crore towards office space acquisition.

Year	FY24	FY25	FY26
Fixed assets turnover ratio (x)	5.6	5.7	6.2

Valuations: The Company's market capitalization stood at Rs.5,885 crore as on 31st March, 2026 compared to Rs.

7,273 crore on 31st March, 2025. The Company's Enterprise Value (EV) as on 31st March, 2026 stood at Rs. 5919

crore as opposed to Rs. 7,331 crore on 31st March, 2025.

Year	FY24	FY25	FY26
Market valuation on 31 st March (Rs. crore)	8,821	7,273	5,885
EV/EBITDA (x)	24.9	20.8	18.4
Book value per share (Rs.)	1,032	1,047	1142

Way forward: The Company expects revenue growth of 18-20% in FY26-27, supported by broad-based growth across its business segments. Sanitaryware revenue is expected to grow by approximately 12%, driven by around 7% volume growth and 5-6% pricing improvement, while faucetware is expected to grow by approximately 18%, supported by 10-12% volume growth and nearly 8% pricing growth.

The Company entered FY26-27 with healthy momentum and a strong financial position. Margin recovery remained a key focus area, supported by calibrated pricing actions, normalization of trade discounts and evolving input costs. Backed by its established mass-premium positioning, ongoing investments in portfolio enhancement, distribution expansion and operational excellence, and adequate capacity headroom, the Company aims to grow approximately

500 basis points ahead of the industry. Continued investments in technology, innovation, sustainability and supply chain capabilities are expected to further strengthen its ability to convert favourable market conditions into sustained profitable growth and long-term value creation.

Vikas Kothari

Chief Financial Officer

HOW CERA IS ENRICHING LIVES – IN DIFFERENT WAYS



The first-time homeowner. Pune. 2026.

Kavya Menon is 31. She has just collected the keys to her 2BHK in Wakad after six years of renting, saving, and spreadsheet-obsessing. The flat is bare concrete and possibility.

Her builder gave her a basic sanitaryware package. She rejected it the day she walked into a CERA Style Gallery on Baner Road with her mother, half-expecting to spend twenty minutes and leave.

They stayed two hours.

What stopped her was a corner display — a complete bathroom environment, not products on pegs.

Warm lighting, a wall-mounted WC in matte white, brushed gold faucets, a frameless mirror with integrated storage.

Her mother, who had spent thirty years using a squat toilet in a Thrissur village before moving to Pune, touched the basin rim the way people touch things they did not know they wanted.

Kavya took photographs. She went home. She came back the next Saturday with her husband.

She chose a mid-range sanitaryware set, a single-lever basin mixer in chrome, and a rain shower panel that was slightly above her budget. She negotiated nothing. She simply did not want a lesser version of what she had seen.

The installation happened on a Tuesday. That evening, after the workers left, she stood in the finished bathroom alone for five minutes before calling her mother.

She posted one photograph on Instagram. No caption. Just the bathroom. Forty-seven people asked her which brand.



The architect. Delhi. 2026.

Rohan Sehgal runs a mid-sized design practice in Lajpat Nagar. He has specified products from Italian brands, European brands, and a dozen Indian manufacturers in his eleven-year career. He is professionally unsentimental about brands. A fitting is a fitting until it fails, and then it is a mistake with his name on it.

He began specifying CERA faucetware four years ago, reluctantly, because a client had a tight budget and a high aesthetic expectation — a combination Rohan considered his personal punishment.

The French Gold finish did not disappoint. More importantly, it did not fail. Twelve months after installation, the same finish looked identical to the day it was fitted. He went back to check. He photographs installed projects compulsively; he compared. No colour drift, no flaking, no complaints from the client.

He now specifies CERA on projects where the budget would support European alternatives.

His associate asked him why. He said: “Because I’ve stopped getting calls.”

He means this as the highest possible compliment. The projects where he gets calls are the ones with problems. The CERA-specified bathrooms have been, for four years, silent. In his professional vocabulary, silence is loyalty.

He attended a CERA trade event last year, somewhat grudgingly. He left with a contact at the Company’s technical team and a direct line for project queries. He has used it twice. Both times, someone answered with a specific answer within the same working day.

He does not say he loves the brand. He says he trusts it. For an architect of his disposition, that is considerably more valuable.

The middle-class father. Indore. 2026.

Suresh Agarwal is 54. He owns a hardware shop. He has lived in the

same house for twenty-two years. The house has been extended twice — once when his parents moved in, once when his son was born. The bathroom at the back has not been touched since 2009.

His daughter is getting married in four months. The house will receive guests from his wife’s side, from Bhopal and Ujjain, people whose opinion matters to him in the specific, weighted way that a community’s opinion matters to a man who has lived in one city his whole life.

His plumber, a man named Imtiyaz who has serviced his building for fifteen years, told him to look at CERA. Imtiyaz said. “Price is right. Quality is superior.”

Suresh went to his local dealer. He was shown a complete set — WC,

Suresh does not use Instagram. But Imtiyaz the plumber has since recommended CERA to eleven other households.

The young professional. Bengaluru. 2026.

Priya Chandrasekaran is 27. She works in product management at a tech company. She has recently moved into a premium rented apartment in Whitefield that came pre-fitted with CERA sanitaryware.

She noticed the brand logo on the first morning — the way you notice a font on a book cover when the design is clean. She googled it while brushing her teeth.

She is the customer CERA’s marketing team most wants to reach and most struggles to define: she does not own property yet, she has no purchase decision to make, and yet she is forming a relationship with the brand in the most intimate, daily, unremarkable way — through use.

The flush has the right weight. She noticed this. She cannot explain why she noticed this, but she did. The faucet has the right resistance. The basin has a geometry that does not collect water around the drain. These are not features she could have articulated before moving in. She simply finds herself never frustrated by the

bathroom, in a rental where the kitchen tap drips, the curtain rod is wrong, and the bedroom door does not close properly.

One evening, scrolling through a home décor account on Instagram, she sees a CERA ad for a wellness shower system. She saves it. She does not have a bathroom to put it in. She saves it anyway, into a folder she has titled, with characteristic precision, Future Flat.

She is not yet a customer in any transactional sense. But she already knows what she will ask for when she finally buys.

The brand has done its best work entirely without her noticing.

DID YOU KNOW?
CERA has the fastest grievance redressal in the industry – within 48 hours

basin, faucet — at a price that was honest. He asked if it would last. The dealer showed him the certification marks and mentioned the warranty. He asked if anyone had complained. The dealer named two buildings in the area where it had been installed.

Suresh went home and told his wife they were redoing both bathrooms, not just the one at the back.

The work was done in nine days. The morning the tilers finished, his wife wiped the new basin with a dry cloth — not because it was dirty, but because it was hers. She has done this every morning since.

When his wife’s niece visited from Bhopal, she asked about the bathroom. His wife named the brand before she named the contractor.

EXECUTIVE DIRECTOR'S REVIEW



Overview

The bathroom has evolved into one of the most design-conscious spaces in a home. Consumers expect products that combine aesthetics with durability, water efficiency, precision engineering and flawless quality. Meeting these expectations consistently is only possible when manufacturing moves beyond production to become a source of innovation, reliability and competitive advantage.

At CERA, manufacturing has always been more than making products – it is about building capabilities that enable us to respond faster, produce better and continuously raise quality standards. Every process improvement has translated into a superior experience for customers and a stronger confidence in the CERA brand.

Building a manufacturing advantage

Our integrated manufacturing facility at Kadi, Gujarat, remains

the foundation of this competence. Strategically located near the GAIL and Sabarnati Gas pipeline networks, the facility benefits from reliable energy availability, competitive operating costs, skilled manpower and excellent connectivity to pan-India markets.

Besides, the manufacturing ecosystem is integrated —from casting to assembly—providing a complete control over quality, process consistency, logistics efficiency and responsiveness, while moderating the environmental footprint.

Manufacturing excellence, however, is not defined by infrastructure alone. It is built through continuous improvement. During FY25-26, we continued to strengthen our operations through automation, process optimization, backward integration and advanced quality systems.

The Company’s investments in high-speed CNC machining, advanced polishing cum finishing capabilities, upgraded testing infrastructure and

workflow optimisation deepened manufacturing precision, productivity and operational flexibility.

Driving process excellence and innovation

A significant milestone during the year was the strengthening of our premium manufacturing capabilities.

Integration: By expanding in-house PVD plating infrastructure and establishing India's first in-house multi-colour PVD facility, the Company reduced its dependence on external processing while improving design flexibility, quality consistency and turnaround time.

Indigenisation: Similarly, the proprietary manufacture of critical components, including high-volume flush valve variants, enhanced process control that reduced external dependence. These initiatives also enhanced premiumisation by enabling a faster development of differentiated products.

Operational excellence is equally about disciplined execution.

Optimization: Continuous root-cause analysis, corrective action systems and debottlenecking initiatives enabled us to sustain manufacturing yields above 80% while improving material recovery, productivity and resource utilization.

Flexibility: Our flexible production lines also allow us to accommodate customized and specialized manufacturing requirements without disrupting regular operations, enabling us to serve both premium and project segments with greater agility.

Innovation: Research and development remained central to our

manufacturing philosophy. Our DSIR-certified R&D laboratory continued to support product innovation through 100% raw material testing, advanced body and glaze development, material optimization and rigorous quality validation.

Acceleration: Supported by world-class testing infrastructure, our teams developed and commercialized nearly 35 products within approximately 60 days – faster than conventional industry timelines – that allowed us to respond with speed to changing consumer preferences and market opportunities.

The Company is taking steps towards strengthening supply chain responsiveness and profitability. By adopting advanced supply chain

methodologies, the Company is transitioning from a traditional push-based model to a more demand-driven, replenishment-oriented system.

Technological investments remain integral to this preparedness. The adoption of advanced surface technologies such as VBD Coating (vitreous bacterial defence) reflects the Company's commitment to innovation – creating surfaces that inhibit bacterial growth, improve stain resistance and ensure long-lasting cleanliness, attributes that are increasingly valued by consumers seeking healthier, more hygienic and easier-to-maintain living spaces in a post-pandemic world.

Building resilience through responsible manufacturing.

Resilience: FY25-26 also demonstrated the importance of manufacturing resilience. While industry-wide gas supply disruptions impacted several competitors – particularly in Morbi – CERA's long-standing GAIL allocation arrangement ensured operational continuity. The episode reinforced a conviction: supply chain preparedness is not an efficiency measure, it is a competitive asset.

Sustainability: Equally important was our commitment to responsible manufacturing. Nearly 60% of our energy requirements were met through green energy sources, while our Zero Liquid Discharge (ZLD)-certified operations reflected our commitment to conserve natural resources.

Assurance: Our manufacturing systems were strengthened by globally recognized certifications including ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, reinforcing our focus on quality, environmental stewardship and occupational safety.

Strengthening capacity

Expansion: Looking ahead, we remain committed to strengthening our manufacturing platform for the next phase of growth. During FY26-27, we will scale faucetware output by 25% through targeted infrastructure optimization at our existing Kadi facility, while advancing the internalization of selected sanitaryware SKUs previously sourced externally.

Capacity: We will evaluate a new greenfield sanitaryware facility to support our long-term growth

ambitions as market demand continues to strengthen.

Outlook

Manufacturing excellence is not a destination; it is a discipline of continuous learning, innovation and improvement. As consumer expectations continue to evolve, our focus will remain on building smarter processes, developing superior products and creating a manufacturing ecosystem that delivers quality, reliability and sustainability at every stage. These capabilities have differentiated CERA over the years, and they will continue to strengthen our competitiveness and support sustainable growth in the years ahead.

Anupam Gupta

Executive Director (Technical)

CERA POSSESSES SUPERIOR TESTING INFRASTRUCTURE, WHICH ENABLED IT TO DEVELOP AND COMMERCIALISE NEARLY 35 PRODUCTS WITHIN APPROXIMATELY 60 DAYS – FASTER THAN CONVENTIONAL INDUSTRY TIMELINES.

CERA'S MANUFACTURING MOAT

Strategic location

Integrated Kadi facility with reliable gas access, skilled talent and efficient nationwide connectivity.

Integrated operations

End-to-end manufacturing from casting to assembly ensures superior quality, speed and cost efficiency.

Global standards

ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified manufacturing systems.

Advanced automation

Automated glazing, machining, polishing and finishing deliver precision, consistency and productivity.

R&D excellence

DSIR-recognized R&D with 100% raw material testing and continuous body and glaze innovation.

Process excellence

Continuous optimization sustains manufacturing yields above 80% while improving efficiency.

Sustainable manufacturing

60% green energy utilization backed by Zero Liquid Discharge (ZLD) operations.

Faster innovation

Capability to develop and commercialize approximately 35 products within 60 days, significantly ahead of conventional industry timelines.

Flexible production

Agile manufacturing supports customized, specialized and premium product requirements.



CERA. CUSTOMER-LED. BRAND-FOCUSED.



The CERA brand represents the foundation of the Company's growth and market leadership.

1



2 The brand has consistently strengthened through innovation, premiumization, consumer trust and a wider market presence.



The brand addresses multiple consumer segments through a differentiated portfolio (CERA, CERA Luxe, Senator and Polipluz).

3



4 The brand's influence extends beyond retail consumers to opinion makers (architects, designers, developers, retailers and project partners, strengthening the Company's competitive position).



Sustained investments in marketing, retail experiences, distribution expansion and consumer engagement have enhanced CERA's visibility, recall and relevance across markets.

5



6 The CERA brand represents the Company's legacy of trust, leadership and ambition to shape the future of India's bathroom solutions industry.

BRAND

THE EFFECTIVENESS OF OUR BRAND INVESTMENTS

Transforming visibility into growth



Overview

At CERA, brand investments are not viewed as expenses. They are strategic investments in long-term market leadership.

Over the years, sustained investments in brand building, retail visibility, consumer engagement and channel development have strengthened the Company's position across markets.

These investments have enabled the following:

- Greater consumer preference and recall
- Stronger engagement with architects, designers and developers
- Increased premium product adoption

- Deeper retail penetration across urban and emerging markets
- Expansion into new customer segments through Senator and Polipluz
- Enhanced resilience in a competitive marketplace

The outcome is a business supported by strong consumer trust, extensive distribution reach and an expanding portfolio of differentiated brands.

Brand spend

	FY23	FY24	FY25	FY26
Brand spending (Rs. crore)	57	63	54	50

SECTORIAL OVERVIEW

CERA. SHAPING THE FUTURE OF INDIA'S BATHROOM SOLUTIONS INDUSTRY.

Overview

Over the years, CERA has established a strong presence in India's bathroom solutions industry, adapting alongside changing consumer preferences, design trends and market dynamics..

CERA contributed to the transition of the sector from fragmented, product-

led competition to a branded, design-driven and consumer-centric marketplace.

CERA has expanded the boundaries of what consumers expect from bathroom spaces through continuous investments in innovation, premiumization, retail experiences and brand-building.

CERA is helping redefine the industry through a differentiated brand architecture spanning luxury, premium, mass-premium and value segments, creating growth opportunities across a wider spectrum of consumer aspirations.

CERA's contributions to India's bathroom solutions sector



From
product purchases



To
lifestyle-led bathroom experiences



From
fragmented category choices



To
integrated bathroom solutions under a trusted brand



From
price-led competition



To
to design, innovation and premiumization-led differentiation



From
single-brand participation



To
a multi-brand architecture addressing every major consumer segment



From
conventional retail formats



To
immersive experience centres and destination showrooms



From
urban-centric demand creation



To
deeper penetration across emerging markets and growth regions



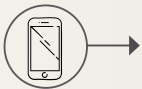
From
standalone products



To
complete bathroom ecosystems spanning sanitaryware, faucets, wellness and allied categories



From
transactional customer relationships



To
sustained consumer engagement through digital, experiential and omnichannel platforms





THE OVERHEARD CERA CONVERSATION

“You’ve redone the bathroom.”

“Yes.”

“When?”

“Three months ago.”

“It looks like a hotel.”

“That’s what my wife said. She said the same thing the morning after it was done.”

“Which brand?”

“CERA.”

(pause)

“I’ll take the number of your contractor.”

THE POWER OF BRAND CERA



The numbers behind the brand

10,000+

Advertising spots across Hindi and regional markets

3

Premium airport OOH locations (Delhi, Bengaluru and Ahmedabad)

2,000+

Brand outlets across multiple retail formats

13

Company-owned Experience Centres - CERA Style Studio

Overview

In the sanitaryware and bathroom solutions market, visibility alone does not build a brand. Consumer confidence is earned through every touchpoint - the showroom visit, the digital search, the architect recommendation, the quality of after-sales service. As Indian households invest more in their living spaces, branding has become a decisive strategic lever in shaping consumer preference, deepening loyalty,

and reinforcing long-term market relevance.

For CERA, branding has always meant more than advertising. It is the architecture through which consumer trust is created, sustained, and converted into enduring purchase preference. Over the years, CERA's communication has evolved from product-led awareness to a richer, experience-led narrative - one that reflects not just what the brand makes, but what it stands for in the

homes and aspirations of millions of Indian consumers.

CERA operates a multi-brand portfolio - CERA, CERA Luxe, Senator, and Polipluz - with each addressing a distinct consumer segment around a clear identity. This portfolio gives the brand an unmatched ability to accompany consumers across every stage of their lifestyle journey, from first purchase to luxury aspiration.

Strategic branding priorities

#1 Winning the aspiration economy: As Indian consumers increasingly view bathrooms as spaces of comfort, wellness and personal expression, CERA continues to position itself at the intersection of aspiration and accessibility. During FY25-26, the brand strengthened its presence across television, OTT, digital platforms and high-impact outdoor media, reinforcing its connect with

India's fast-growing mass-premium audience.

Strategic priorities

- 10,000+ advertising spots across Hindi and regional markets
- Brand associations with Bigg Boss Malayalam, Bigg Boss Telugu, Salaakar and Trial 2 on JioHotstar

- Premium airport branding across Delhi, Bengaluru and Ahmedabad
- Lifestyle-led communication focused on aspiration rather than product features
- Stronger engagement with younger homeowners and design-conscious consumers

#2 Building a digital-first consumer journey: Recognising that the consumer journey increasingly begins online, CERA continued strengthening its digital ecosystem through personalized engagement, AI-enabled content and seamless lead management. The objective is to convert digital discovery into meaningful consumer engagement and purchase.

Strategic priorities

- AI-enabled content creation and data-driven consumer insights
- Personalized engagement through WhatsApp and email
- Expanded e-commerce accessibility across digital platforms
- Influencer collaborations, architect-led advocacy and short-format videos

- Lead Management System enabling faster response and channel conversion
- Enhanced social media engagement and digital storytelling

#3 Influencing the design & building ecosystem: Architects, designers and developers increasingly shape purchasing decisions in premium housing. CERA strengthened its engagement with these stakeholders, positioning itself as a trusted design partner while expanding the visibility of Senator in luxury projects.

Strategic priorities

- Participation in FOAID Delhi, CREDAI Expos and GoodHomes Realty Awards
- Deeper engagement with architects, designers and developers

- Stronger specification opportunities in premium residential and institutional projects
- Greater visibility for Senator's design-led portfolio
- Long-term relationships driving repeat specification and advocacy

#4 Delivering a consistent brand experience: Brand equity is reinforced through every consumer interaction. CERA continued investing in an integrated retail, distribution and 27 service ecosystem that delivers a seamless experience from product discovery to after-sales support.

Strategic priorities

- Retail network of 2,000+ brand outlets across multiple formats
- Expansion of immersive CERA Style Studio experience centres
- Technology-enabled supply chain and inventory management

- 400+ member service team supporting post-purchase experience
- Strong after-sales capability supporting long-term developer and consumer confidence

Outlook

CERA will deepen its position as India's most trusted and comprehensive bathroom brand. The strategic priorities: expand digital engagement, strengthen omnichannel retail, deepen architect and developer relationships, grow the Senator and

Polipluz networks, and invest in the immersive consumer experiences that turn brand awareness into brand loyalty.

India's home improvement market is entering a sustained structural upcycle, driven by urbanization, rising incomes, and a growing culture of

investing in personal spaces. The bathroom - once purely functional - is becoming a canvas for aspiration. CERA is positioned to lead this transformation.

The foundation is built. The portfolio is complete. The consumer is ready. The opportunity is unprecedented.

The dealer's testimony

"I've been selling sanitaryware for nineteen years. I've sold seven brands. I still sell four.

"The ones I stopped selling — I stopped because of phone calls. Customer calls me, I call the Company, the Company doesn't

call back. After the third time, I stop stocking them.

"With CERA, I stopped counting the calls a long time ago. Not because customers don't call. Because when they call, it's usually to ask where to buy more.

"I have a customer in Rajkot. He bought CERA for his own flat

in 2019. His brother saw it. His brother bought CERA. His mother saw that. She asked her neighbour. The neighbour asked me.

"One sale. Five customers. I didn't make a single call.

"That's what a good brand does. It sells itself forward."

India's bathroom solutions segment is modernizing faster than ever

Lifestyle-driven demand

- Bathrooms are evolving from functional utility spaces into extensions of personal lifestyles.
- Consumers increasingly seek spaces that reflect their aspirations, aesthetic preferences and evolving standards of living.
- Demand is rising for solutions that enhance comfort, experience and self-expression.

Wellness-oriented lifestyles

- Growing focus on health and wellbeing is influencing bathroom design and product selection.
- Consumers are investing in wellness-led solutions such as air-water massage systems and spacious showering environments.
- Demand is increasing for comfort-enhancing features that promote relaxation and rejuvenation.

Sustainability and resource efficiency

- Environmental awareness is becoming an increasingly important purchasing driver.
- Consumers are seeking products that optimize water consumption and improve resource efficiency.
- Demand is rising for sustainable solutions that deliver performance without compromising comfort or design.

Preference for organized brands

- Rising product awareness is driving consumer preference for organized and trusted brands.
- Customers increasingly value consistent quality, assured performance and dependable after-sales service.
- Brand trust and long-term reliability are becoming key factors in purchase decisions.

Design and premiumization

- Rising disposable incomes and home upgrades are driving demand for premium bathroom solutions.
- Consumers are increasingly valuing contemporary design, superior finishes and enhanced functionality.
- Coordinated bathroom environments and differentiated aesthetics are becoming important purchase considerations.

Technology and convenience

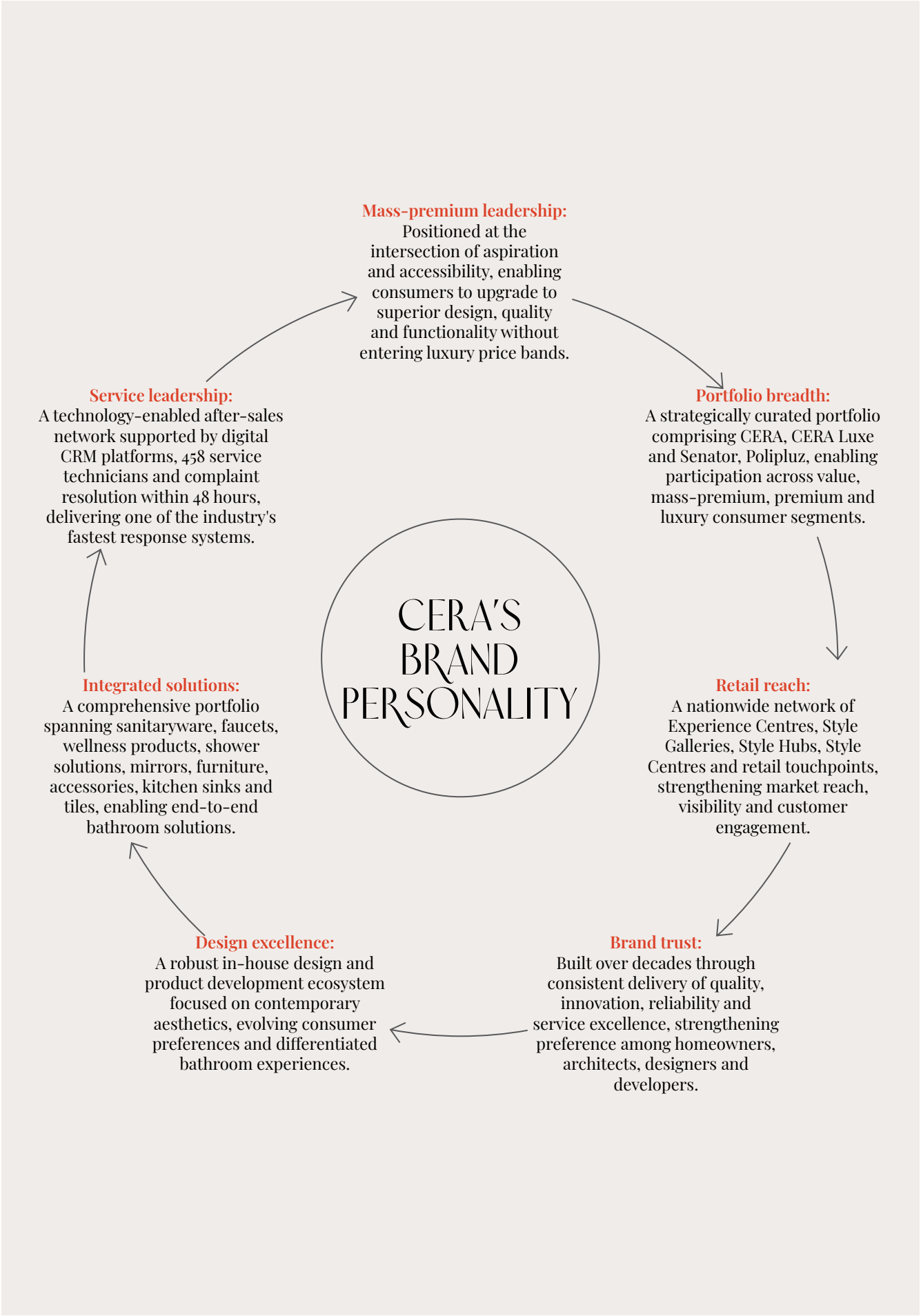
- Technology is transforming bathroom experiences through smarter and more efficient solutions.
- Sensor-based fittings, touch-free operations and intelligent flushing systems are gaining wider acceptance.
- Advanced water-management technologies are enhancing convenience, hygiene and resource efficiency.

Urbanization and evolving housing formats

- Rapid urbanization is increasing demand for space-efficient and multifunctional bathroom solutions.
- Changing housing configurations are encouraging the adoption of intelligent and compact designs.
- Growth in larger and premium homes is creating opportunities for wellness-oriented and high-end bathroom offerings.

Growth in housing and renovation demand

- Expansion in residential construction is supporting growth in bathroom product demand.
- Increasing home improvement and renovation activity is creating replacement and upgrade opportunities.
- Rising aspirations and greater design awareness are encouraging investments in modern bathroom solutions.



STRATEGY

CERA'S CORE IN ONE WORD: PREMIUMIZATION

Overview

At CERA, premiumization is not about moving consumers towards luxury.

It is about helping them upgrade to better-designed, better-performing and more aspirational products without compromising on value.

As Indian consumers become increasingly design-conscious, expectations from the bathroom are evolving. Products are expected to deliver superior aesthetics, enhanced functionality, improved hygiene and a more refined user experience.

CERA has responded by steadily elevating its portfolio through design innovation, advanced technologies, premium finishes and differentiated product offerings.

CERA, supported by the CERA Luxe and Senator brands, is engaged in the premiumization of Indian consumption while anchored in its mass-premium positioning.

This approach is empowering the Company to deliver superior consumer value, strengthen its product mix, enhance brand relevance and build a sustainable long-term growth pathway.

CERA Luxe emerged as a Rs.40 crore super-premium brand in its first year, with 200 exclusive brand touchpoints across the market.

STRATEGY

CERA'S EVOLVING CONSUMER PROPOSITION: SUPERIOR AND RELEVANT

Overview

The bathroom has become one of the most commercially significant rooms in the Indian home — the space where design decisions are made with the greatest care and where brand trust carries the most weight.

Consumers today seek products that enhance everyday living experiences while reflecting their personal aspirations.

Recognizing this shift early, CERA evolved beyond a product-led approach to become a design-driven

bathroom solutions brand. The Company has consistently expanded its portfolio with contemporary collections, innovative technologies, premium finishes and integrated bathroom solutions aligned with changing consumer preferences.

From coloured PVD faucets and wellness products to coordinated bathroom environments and immersive retail experiences, every initiative reflects a clear objective:

To make better-designed bathrooms accessible to a wider spectrum of Indian consumers.

In FY25-26, CERA launched Polipluz, a value brand that caters to India's semi-urban, rural and emerging markets.



THE INTERNAL MONOLOGUE

It's just a tap. I know it's just a tap. But there's something about the way it turns — that slight resistance, that quiet click at the close — that makes me feel like the whole apartment flat was built properly.

Which it wasn't.

I know it wasn't.

But every morning, this tap makes me feel like it was.

STRATEGY

ONE-STOP SOLUTION FOR EVERY BATHROOM ASPIRATION.

Overview

CERA's strength lies in its ability to offer complete and differentiated bathroom solutions.

CERA's portfolio spans sanitaryware, faucets, wellness products, shower solutions, mirrors, furniture, accessories, kitchen sinks and tiles.

This empowers consumers to create coordinated bathroom environments through a single – and enduring – brand relationship.

This integrated offering simplifies decision-making, enhances design consistency and strengthens confidence in quality, service and long-term support.

As Indian consumers increasingly seek convenience, reliability and end-to-end solutions, CERA's comprehensive portfolio creates a meaningful competitive advantage while strengthening customer engagement across the purchase journey.



Sanitaryware: Variety of sanitaryware products (toilets, basins, urinals, and bidets)



Faucets: Various designs and finishes (chrome, gold, and stainless steel).



Tiles: Ceramic, porcelain, and vitrified tiles (flooring and wall)



Kitchen sinks: Offered in different materials (stainless steel, granite, and ceramic)



Shower panels: Various designs and materials



Shower enclosures: Various designs, shapes, and sizes.



Wellness: Whirlpools, steam showers, and sauna systems.



Bathroom furniture: Vanity units, cabinets, and mirrors.



Bath accessories: Towel rails, soap dispensers, and toilet paper holders.



STRATEGY

CERA. BECOMING FUTURE-READY.

Overview

At CERA, we do more than manufacture bathroom solutions; we shape the way consumers experience one of the most personal spaces within their homes.

Through a combination of contemporary aesthetics, advanced technologies and superior quality, we enable consumers to create bathrooms that reflect evolving lifestyles and aspirations.

As expectations rise, the bathroom is transitioning from a functional

utility to a space defined by comfort, wellness and design.

CERA has been at the forefront of this transformation, helping elevate the bathroom into a meaningful expression of modern living.

Evolution of our products

Sanitaryware



2021

Basic, traditional designs with limited variety and minimal variations



2022

Launched Lustre



2024

Launched Senator



2025

Launch CERA Luxe

Faucetware 2010



Entry-level products



Wall mixers and related products



Introduced designer series



Single lever basin mixer

Faucetware 2022



French Gold

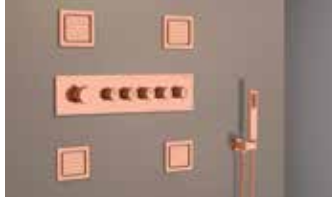


Rose Gold



Graphite Grey

Faucetware 2025



Thermostatic products



Lustre products



Single lever basin mixer



Sensor faucets

THE MARKET RESEARCH RESPONDENT

Interviewer: Why did you choose CERA?

Respondent: My plumber told me.

Interviewer: And why do you trust your plumber's recommendation?

Respondent: Because he has to come back and fix it if it breaks.

Interviewer: Has anything broken?

Respondent: (long pause) No.

Interviewer: So you'd recommend CERA?

Respondent: I already have. Three times. Four, maybe.

Interviewer: To friends?

Respondent: To my brother-in-law. My neighbour. My accountant. My accountant asked me unprompted. I don't know how the bathroom came up.

THE BRAND EULOGY

I have lived in this house for 31 years.

I replaced the kitchen three times, the floors twice, the windows once. The sofa has been reupholstered. The walls have been four different colours.

The bathroom has not been touched.

Not because I couldn't afford to. Not because I didn't think about it. But because every time I thought about it, I looked at the basin, the fittings, the shower that still runs with the pressure of the day it was installed — and I thought: why?

Some things you replace when they fail.

Some things never fail.

– **Risha Khanna**, *architect*

PART THREE

THE CONTEXT OF OUR SECTOR AND HOW WE ARE GROWING OUR BUSI- NESS

STRATEGY

CERA. RIGHT COMPANY. RIGHT TIME.

Overview

India stands at the cusp of an unprecedented consumption transformation.

Rising incomes, accelerating premiumization, robust housing demand and a growing preference for organized brands are reshaping

how consumers design and experience their homes.

Bathrooms are no longer viewed as functional spaces alone; they are becoming expressions of lifestyle, comfort and aspiration. Positioned at the intersection of these structural shifts,

CERA is equipped to benefit through its mass-premium leadership, multi-brand architecture, design-led innovation and nationwide distribution network.

As India's aspirations rise, CERA is poised to grow alongside them.

WHY CERA. WHY NOW.

#1 ASPIRATIONAL CONSUMER

India is upgrading faster than ever



- Rising incomes are expanding the country's aspirational middle class.
- Home ownership growth is driving investments in better living spaces.
- Greater exposure to global lifestyles is influencing consumer preferences.
- Demand is shifting from basic functionality toward superior design, quality and branded experiences.
- India's per-capita income increased from Rs.72,805 in FY14-15 to approximately Rs.2.36 lakh in FY24-25.

Opportunity: CERA is positioned at the intersection of aspiration and affordability, aligning with consumers seeking premium experiences without luxury pricing.

#2 LIFESTYLE BATHROOMS

Bathrooms are becoming lifestyle spaces



- Bathrooms are increasingly viewed as extensions of personal identity and lifestyle.
- Wellness, comfort and aesthetics are influencing purchase decisions.
- Consumers are spending more on coordinated and experience-led living environments.
- Demand is rising for integrated bathroom solutions rather than standalone products.
- India's tiles, sanitaryware and bathroom fittings market is projected to grow from USD 9.95 billion in 2025 to USD 17.29 billion by 2034.

Opportunity: CERA's portfolio spanning sanitaryware, faucets, wellness products and complete bathroom solutions enables participation across the entire bathroom experience value chain.

#3 PREMIUMIZATION TREND

Consumers are upgrading across categories



- Premiumization is becoming a structural trend across homes, interiors, automobiles and consumer goods.
- Consumers increasingly prioritize quality, design and performance.
- Aspirations are shifting toward products that elevate everyday living experiences.
- Higher-value homes are gaining a larger share of residential demand.
- Homes priced above Rs.1 crore accounted for 62% of residential sales across major Indian cities in 2025.

Opportunity: Through CERA, CERA Luxe and Senator, the Company addresses multiple aspiration levels and enables progressive customer upgrades within the broader ecosystem.

#4 BRAND TRUST

Reliability is becoming a purchase driver



- Consumers are increasingly prioritizing quality assurance and long-term value.
- Organized brands are gaining share over unorganized alternatives.
- Service responsiveness and product reliability are influencing buying decisions.
- Rising awareness is accelerating industry formalization.
- Organized players now account for approximately 65-70% of India's sanitaryware and faucetware market.

Opportunity: Strong brand equity, consumer trust and a pan-India distribution network position CERA to benefit from the continued shift toward organized branded players.

#5 HOUSING DEMAND

Housing demand is becoming more segmented



- Consumers span value, mass-premium, premium and luxury categories.
- Each segment seeks a distinct balance of affordability, design, quality and exclusivity.
- Market diversification is expanding opportunities across multiple price points.
- Rising housing demand is creating a broader addressable market.
- Around 3,00,000+ homes were sold across India's top seven cities during CY2024.

Opportunity: CERA's multi-brand architecture enables participation across value, mass-premium, premium and luxury segments, creating broader market coverage and multiple long-term growth engines.

TRANSFORMATION

HOW WE TRANSFORMED OUR BUSINESS OVER THE YEARS

From single-brand to multi-brand growth architecture

We evolved from a single-brand approach to a portfolio serving multiple consumer aspirations through CERA, CERA Luxe, Senator and Polipluz.

3

Distinct consumer segments served, FY24-25

4

Distinct consumer segments served, FY25-26

From capacity creation to expanded manufacturing integration

We strengthened value addition, quality control and supply reliability by expanding in-house manufacturing capabilities across faucetware and allied categories.

4

Lakh, faucetware pieces per month, FY24-25

5

Lakh Faucetware Pieces - Proposed Capacity by FY26-27 end

From regional concentration to deeper market reach

We evolved from a region-focused organization into a truly pan-India brand supported by one of the industry's most extensive retail and distribution networks.

68%

Revenue contribution from the two largest zones, FY24-25

67%

Revenue contribution from the two largest zones, FY25-26

From distribution reach to strengthened consumer engagement

We complemented physical reach with stronger brand-building, digital engagement, loyalty programmes and industry-leading service responsiveness.

29,000+

Retailer loyalty members, FY25-26

73,000+

Plumber loyalty members, FY25-26

THE SINGLE SENTENCE

She renovated the bathroom.
Her daughter now calls it the good one.



HOW WE SEEK TO GROW OUR BUSINESS

Strategy #1

Accelerate the Senator opportunity

Strengthen participation in the fast-growing premium and luxury bathroom solutions segment through Senator's differentiated design, experience and product proposition.

Strategy #2

Expand experience-led retail

Deepen market penetration through new Style Centres, Style Hubs, Galleries and Experience Centres across emerging and underrepresented markets.

Strategy #3

Strengthen the mass-premium proposition

Continue enhancing the core CERA portfolio through superior design, innovation, finishes and functionality aligned with evolving consumer aspirations.

Strategy #4

Invest in design and innovation

Accelerate new product development through contemporary collections, differentiated finishes, wellness solutions and technology-led product enhancements.

Strategy #5

Scale manufacturing and value addition

Expand manufacturing capacities and increase in-house value addition to improve responsiveness, strengthen quality control and enhance operating efficiencies.

Strategy #6

Expand adjacent categories

Deepen participation in wellness and lifestyle-led bathroom solutions through products that address rising consumer demand for comfort, wellness and premium living experiences.

Strategy #7

Leverage digital and data capabilities

Strengthen decision-making, inventory visibility, dealer productivity and customer engagement through digital integration across the value chain.

Strategy #8

Build a future-ready supply chain

Enhance responsiveness, improve replenishment efficiency and support scalable growth through advanced supply-chain systems and nationwide distribution infrastructure.

BUSINESS DRIVER

CERA'S SALES EXCELLENCE



29,000+

Enrolments in CERA's retailer loyalty programme

73,000+

Enrolments in CERA's plumber loyalty programme

458

Technicians available for grievance redressals

48

Hours within which grievances are addressed (among industry's fastest)

13

After-sales service offices located pan-India

Overview

At CERA, sales and marketing are not standalone functions — they are strategic enablers that connect innovation with consumer aspiration and translate brand strength into market leadership. The approach is centred on building enduring relationships with consumers, channel partners, and the design

ecosystem, while consistently reinforcing trust and preference for the brand.

Over the years, CERA has built a robust, integrated sales and marketing ecosystem: trusted brands, immersive retail formats, an extensive dealer and plumber network, data-driven channel management, and

responsive after-sales service. Together, these capabilities have enabled CERA to deepen consumer confidence, expand market reach, accelerate premiumization, and strengthen its competitive positioning — across geographies, segments, and consumer cohorts.

Strategic sales measures

Built a consumer pull-led sales engine: During FY25-26, CERA accelerated its transition from a primary push model to a demand-led sales model driven by end consumers. The Company strengthened retailer engagement, improved channel discipline, and enhanced sales visibility, creating a more predictable and sustainable revenue engine.

- 50% of dealer-level revenue was generated through secondary (end-consumer) demand, reducing dependence on channel stocking.
- The Superstar retailer programme grew 25% in FY25-26, supported by more than 30,000 active retailers.
- Retailer mapping and the Market Operating Price (MOP) framework improved channel discipline,

- pricing consistency and partner profitability.
- Loyalty programmes engaged over 73,000 plumbers and 29,000 retailers, strengthening brand preference and creating bottom-up market demand.
- After-sales grievances were resolved within 48 hours, reinforcing customer satisfaction and dealer confidence.

Strengthened premium positioning and project business: During FY25-26, CERA reinforced its presence in premium residential and institutional projects while strengthening its premium product portfolio.

- The contract bank reached a record Rs.1,532 crore, reflecting strong relationships with leading

developers and institutional customers.

- CERA Luxe emerged as a Rs.40 crore super-premium brand in its first year, with 200 exclusive brand environments created across the market and a meaningful shift in premium showroom preference towards CERA.

- Premium product categories recorded healthy growth, validating the Company's premiumization strategy and strengthening brand credibility.
- Continued product specifications from leading developers reinforced CERA's positioning as a trusted premium brand.

Expanded geographic reach and market penetration: During FY25-26, the Company organized Rural Van Yatra to expand the Company's reach into semi-urban and rural markets, adding new dealers and retailers across key geographies. This improved marketing return on investment and sales efficiency, while continued investments in dealers, digital platforms and channel capabilities strengthened the overall

customer journey. CERA accelerated distribution expansion through Rural Drive while improving performance across strategically identified markets.

- Rural Drive expanded CERA's presence into 677 new towns and talukas, adding more than 2,100 retailers.
- Markets like Madhya Pradesh, Northeastern India, Jharkhand,

- Uttarakhand — and Nepal, where we were not there in the top three market share position — were identified for focused attention. Today, except for one market still in recovery, all of them have turned around. They are growing at 30 to 40% year on year.
- Kerala, CERA's largest market, returned to growth after focused commercial initiatives.

Enabled data-driven sales execution: During FY25-26, CERA strengthened commercial execution by deploying technology that improved visibility, responsiveness and channel collaboration.

- The Dealer Management System (DMS) was rolled out across more than 300 key channel partners.
- Real-time visibility into primary and secondary sales enabled faster, data-driven decision-making.

- Improved sales analytics supported targeted interventions, sharper product mix decisions and stronger alignment between national strategy and field execution.
- Successful DMS adoption reflected strong trust and collaboration across the dealer network.

CERA. A PRODUCT FOR EVERY PRICE POINT.

Expanded consumer brand touchpoints: During FY25-26, CERA increased consumer visibility by strengthening its retail presence and partnering with leading lifestyle and commercial brands.

- Added 84 primary brand stores, taking the network to more than 500 stores.

- Expanded retailer branding to 1,588 branded outlets, including 292 new CSC brand stores.
- Established brand encounter partnerships with McDonald's, Third Wave Coffee, Tea Post, River E-Bikes, Federal Bank, Suba Hotels and JSW One Homes, placing CERA products in the everyday

environments of aspirational consumers and building brand perception where it is most naturally absorbed

- Strengthened brand visibility at multiple consumer decision points through immersive retail and partner ecosystems.

Strengthened engagement with the trade and design ecosystem: During FY25-26, CERA deepened relationships with dealers, retailers, architects and designers to reinforce long-term market influence.

- Established experience studios across emerging markets as hubs

for product demonstration, training and stakeholder engagement.

- Engaged more than 5,000 architects and designers through dedicated outreach programmes.
- Hosted 315 factory visits for trade partners and design professionals, strengthening confidence in CERA's

manufacturing capabilities and quality standards.

- Launched the CERA Elite Club to recognize and deepen engagement with the Company's top 200 channel partners.

Outlook

CERA entered FY26-27 with a stronger and more resilient sales and marketing platform, built on consumer-led demand, a structured channel network, an expanding premium portfolio, enhanced digital capabilities and a wider market footprint.

The Company's priorities are to sustain secondary demand growth, deepen penetration in focus markets, expand the CERA Luxe and Senator brands, strengthen data-driven sales execution, and enhance consumer engagement through differentiated retail and brand experiences.

Backed by a robust project pipeline and a strengthened commercial ecosystem, CERA is well positioned to deliver sustainable double-digit growth while remaining agile in a dynamic market environment.

THE ARCHITECT'S SPECIFICATION NOTE

Project: Residential development, 240 units, Hyderabad

Sanitaryware specification: CERA

Reason for selection: Consistent finish quality across batch production. No site complaints in three previous projects. Service response within 24 hours

on the one occasion it was tested.

Client query on specification: None.

Architect's note: None required.

Senator: Where luxury meets design

Senator marks CERA's entry into the luxury bathroom solutions space, bringing together elevated design, premium quality and complete bathroom experiences under one brand. Created for

discerning homeowners, architects and developers, the portfolio spans premium faucets, showers, wellness products, steam solutions and coordinated collections that rival leading international brands.

Backed by CERA's robust service network and an exclusive premium

dealer ecosystem, Senator delivers a seamless ownership experience from purchase to installation and beyond. More than a premium offering, it elevates CERA's portfolio, expands its presence in the fast-growing luxury segment and reflects the aspirations of India's evolving homebuyers.



Polipluz: Smart value. Trusted quality.

Polipluz brings trusted quality to India's value bathroom fittings market, making organised products and dependable service accessible to a wider audience. Designed for

value-conscious consumers, the brand offers affordable solutions that provide a credible alternative to unbranded products without compromising on affordability.

Built on a dedicated distributor network and strengthened by CERA's extensive plumber ecosystem,

Polipluz expands the Company's reach across urban, semi-urban and rural markets. As an accessible entry point into the CERA portfolio, it encourages customers to embrace branded quality today while creating a natural pathway to CERA's premium offerings in the future.

COMMITMENT

CERA'S ESG COMMITMENT

Overview

In the building materials and sanitaryware industry, ESG has become increasingly important due to the sector's intensive use of natural resources, energy-dependent manufacturing processes and close

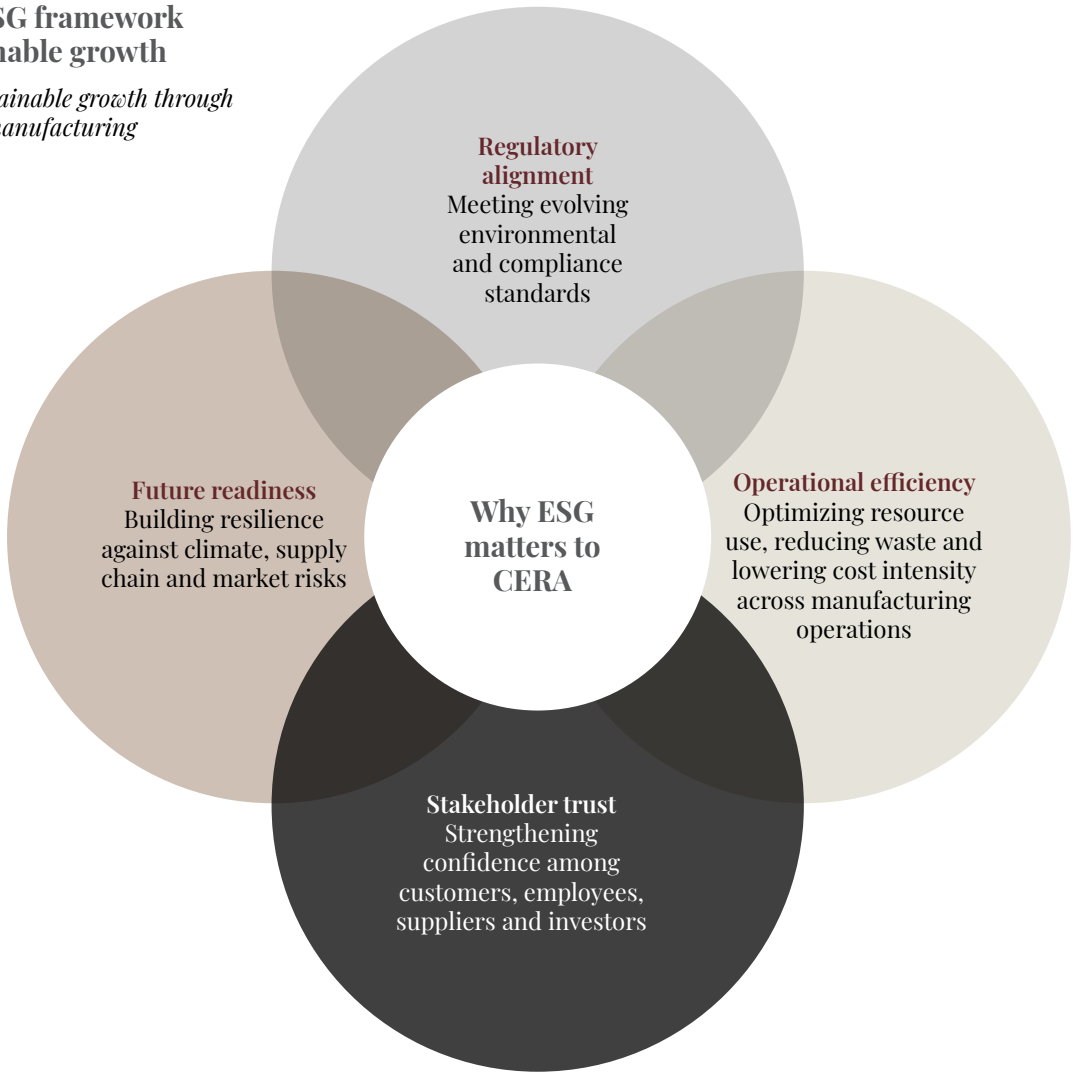
linkage to infrastructure development and community well-being.

As environmental regulations tighten and stakeholder expectations continue to evolve, businesses must adopt responsible practices that balance operational efficiency with long-term sustainability.

At CERA, ESG is not a compliance posture — it is a strategic commitment integrated into the Company's operating model. Responsible practices build resilience, strengthen stakeholder confidence, and create the conditions for sustainable long-term growth.

CERA's ESG framework for sustainable growth

Building sustainable growth through responsible manufacturing



CERA'S 3-PILLAR ESG FRAMEWORK

Driving sustainable growth



Environment

Responsible resource stewardship

- Water recycling
- Energy efficiency
- Waste management
- Emissions control
- Climate resilience
- Sustainable manufacturing

Outcome

Reduced environmental footprint



Social

Strengthening stakeholder relationships

- Employee development
- Workplace safety
- Supplier collaboration
- Customer engagement
- Community development
- Inclusive growth

Outcome

Business continuity and trust



Governance

Ensuring accountability and integrity

- Ethical business practices
- Board oversight
- Risk management
- Regulatory compliance
- Transparent reporting
- Defined accountability

Outcome

Credibility and long-term value creation

ESG outcomes at CERA



Lower resource intensity



Stronger operational resilience



Enhanced stakeholder confidence



Sustainable long-term growth

Water efficiency in numbers

Over five years, CERA reduced freshwater consumption (Sanitaryware) per metric tonne of finished goods from 6.3 KL/MT in FY21-22 to 4.9 KL/MT in FY25-26 — with the lowest recorded level of 4.4 KL/MT in FY23-24.

Enabled by fully operational Zero Liquid Discharge (ZLD) infrastructure, sewage treatment plants (STP) and effluent treatment plants (ETP), together achieving ~90% water recovery across operations.

This reflects CERA's commitment to circular water management as an operational discipline — not merely a compliance obligation.



ENVIRONMENT COMMITMENT

Renewable energy transition:

CERA strengthened its clean energy footprint with an installed renewable energy capacity of ~10.3 MW, supporting a significant portion of manufacturing energy requirements. This transition reinforced the Company's commitment to reducing dependence on conventional energy sources and lowering its overall carbon footprint.

Energy efficiency and resource optimization:

The Company continued to improve manufacturing efficiency through process optimization and technology upgrades. Gas consumption (Sanitaryware) per metric tonne improved from 360 SCM/MT in FY21-22 to 316 SCM/MT in FY25-26, while power consumption reduced from 596 KWH/MT to 537 KWH/MT during the same period, reflecting sustained efforts to enhance resource productivity while lowering emissions intensity.

Waste management and resource recovery:

The Company followed a structured waste management framework focused on waste minimization, reuse and responsible recovery of waste chemicals. These efforts were complemented by plantation initiatives that support ecological restoration and reinforce CERA's broader environmental stewardship objectives.

Certified environmental management systems: CERA's commitment to operational excellence was reinforced through certifications across all facilities, including ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and ISO 9001 for quality management, reflecting adherence to internationally recognized standards and best practices.

Pollution prevention and compliance: The Company maintained rigorous environmental controls through continuous monitoring, process discipline and adherence to all applicable regulatory requirements. Robust compliance systems ensured responsible management of emissions, wastewater and operational environmental risks.

Environment scorecard

Fresh water consumption (KL/MT)

Product	FY24	FY25	FY26
Sanitaryware	4.4	4.8	4.9
Faucetware	4.7	2.0	5.41

This underscores the Company's commitment to responsible water management through efficient resource conservation and continuous operational optimization.

Water recycled in quantum terms (KL)

Product	FY24	FY25	FY26
Sanitaryware	1,37,651	1,71,742	1,55,536
Faucetware	11,473	13,845	11,874

This reflects strengthened water recirculation practices, reducing freshwater dependence and supporting more sustainable manufacturing operations.

Chemical oxygen demand (milligrams per litre)

Product	FY24	FY25	FY26
Sanitaryware	82.8	20.6	25.92
Faucetware	86	20.6	21.68

This reflects efficient wastewater treatment practices, contributing to reduced pollution load and stronger environmental compliance..

SO2 emission (units)

Product	FY24	FY25	FY26
Sanitaryware	7.9 µg/m3	9.7 µg/m3	7.54 µg/m3
Faucetware	7.6 µg/M3	9.5 µg/M3	6.24 µg/M3

This reflects cleaner manufacturing practices and sustained investments in pollution control, reinforcing alignment with evolving environmental standards.

NOx emission (units)

Product	FY24	FY25	FY26
Sanitaryware	18.8 µg/m3	12.3 µg/m3	18.42 µg/m3
Faucetware	15.9 µg/M3	12.0 µg/M3	14 µg/M3

This reflects the adoption of cleaner production practices and continued investment in emission control measures, underscoring alignment with global environmental standards.

Green cover

Product	FY24	FY25	FY26
Trees planted	11,500+	12,000+	12,500+

This demonstrates the Company's commitment to afforestation and biodiversity conservation, while enhanced green cover supports carbon sequestration and contributes to emissions offsetting.

Power consumption (kwh) per unit of end product produced

Product	FY24	FY25	FY26
Sanitaryware	510 KWH/MT	547 KWH/MT	537 KWH/MT
Faucetware	1.67 KWH/FG	1.69 KWH/FG	1.53 KWH/FG

This indicates progress in energy efficiency through technological upgrades and process optimization, reducing the Company's carbon footprint while lowering energy costs and enhancing operational sustainability. .

Gas consumption (SCM/MT) per unit of end product produced

Product	FY24	FY25	FY26
Sanitaryware (SCM/MT)	289	318	316
Faucetware (SCM/MT)	121	154	222

This reflects improved gas consumption efficiency through technology upgrades and process optimization, lowering energy intensity, reducing associated emissions, and enhancing operational sustainability and cost efficiency.



SOCIAL COMMITMENT

Overview

At CERA, the resilience and continuity of the business were underpinned by the active support and engagement of its key stakeholders. The Company remained committed to creating sustainable value by fostering strong relationships with employees, customers, channel partners and the communities it served, while maintaining high standards of safety, service excellence and stakeholder trust. This commitment was reinforced through its ESG priorities of employee safety, human rights, customer satisfaction and community development, supported by ISO 45001-certified facilities and responsible operational practices.

Employees: CERA fostered a culture of operational excellence with a strong emphasis on workplace safety, continuous capability building and employee well-being. The Company invested in regular technical and safety training programmes to strengthen operational preparedness and maintain high standards across manufacturing and service functions. Its ISO 45001-certified systems reflected a structured approach to occupational health and safety, enabling a safe and resilient work environment.

Customers and channel partners: The Company built a robust customer-centric service ecosystem to ensure superior after-sales support and deeper market engagement. With 13 customer care offices, 43 service officers and 458 dedicated technicians

across India, the Company addressed customer complaints within 48 hours, supported by an integrated SAP-enabled CRM platform and WhatsApp-enabled service channels. Its extensive retail and channel network further strengthened stakeholder engagement through experience-led interactions and service responsiveness.

Community: The Company actively engaged with communities surrounding its manufacturing and operational locations through CSR-led initiatives focused on social well-being and long-term development. These efforts were aligned with broader sustainability objectives and reflected the Company's commitment to creating positive social impact through responsible business practices and stakeholder collaboration.

Key initiatives

Safety: Workplace health and safety systems required continuous strengthening to support manufacturing excellence. This was reinforced through ISO 45001-certified practices across operations, enhancing process discipline and ensuring safer, more resilient manufacturing environments.

Capability building: Evolving product complexity demanded continuous employee upskilling. This was addressed through regular technical and product training programmes, strengthening workforce capability and elevating service quality across touchpoints.

Digital integration: Customer service responsiveness required greater operational connectivity. This was enhanced through SAP-linked CRM systems and digital service platforms, enabling faster coordination and more seamless support delivery.

Service excellence: Sustaining superior customer experience required faster issue resolution. This was achieved by maintaining industry-leading complaint closure timelines, with service responses consistently delivered within 48 hours.

Network expansion: Growing customer reach required stronger after-sales support infrastructure. This was addressed through the expansion of dedicated service

offices and technician networks, enhancing responsiveness and service accessibility nationwide.

Retail engagement: Deeper consumer and partner engagement required immersive physical touchpoints. This was strengthened through a multi-format retail ecosystem comprising experience centres, style galleries, style hubs and style centres, elevating brand experience and market connect.

Community impact: Broader stakeholder expectations called for sustained social engagement. This was advanced through continued community development initiatives focused on inclusive growth and stakeholder well-being.



GOVERNANCE COMMITMENT

Overview

At CERA, strong governance formed the foundation of organizational resilience and long-term sustainability, enabling the Company to foster trust and strengthen relationships with stakeholders aligned to its values. The following principles shaped CERA's governance framework.

Stakeholder focus: CERA remained committed to creating enduring value for all stakeholders through a balanced and responsible business approach. The Company strengthened customer trust through consistent product quality, responsive after-sales service and reliable brand experience. It fostered employee development through merit-based opportunities, capability building and a culture of professional excellence. For shareholders, CERA maintained a disciplined financial approach supported by a debt-free balance sheet, healthy cash reserves and prudent capital allocation. The Company also contributed meaningfully to the broader economy through employment generation, tax contributions, exports and focused CSR initiatives, while nurturing long-term partnerships with channel partners, suppliers and vendors built on trust and mutual growth.

Brand and quality focus: Brand-led growth remained central to CERA's governance philosophy. The Company continued to strengthen its multi-brand architecture across CERA, CERA Luxe, Senator and Polipluz, enabling deeper market penetration across consumer segments. Supported by strong quality systems, product innovation and responsive customer service, the Company reinforced its reputation as a trusted and responsible brand while sustaining leadership

across sanitaryware and bathware categories.

Process-driven governance: The Company continued to strengthen its process-led operating framework through robust internal controls, structured compliance mechanisms and technology-enabled operational systems. Its audit-driven governance practices, supported by clearly defined checks and balances, reinforced transparency, accountability and reliability in financial and operational disclosures. Continuous process improvement and automation further enhanced execution discipline across manufacturing, supply chain and customer engagement functions.

Board oversight and leadership: The Company benefited from the strategic oversight of an experienced Board and leadership team with deep industry expertise and a strong execution track record. Their collective guidance supported informed decision-making, long-term planning and effective risk management. The presence of independent directors ensured objective oversight, balanced governance and alignment with stakeholder interests, further strengthening the Company's governance framework.

Integrity and ethical conduct: Integrity remained integral to CERA's organizational culture and business practices. The Company upheld

meritocracy, inclusivity and equal opportunity while maintaining a zero-tolerance stance toward harassment, discrimination and unethical conduct. Respect for individual dignity, responsible workplace practices and adherence to the highest standards of ethical behaviour remained embedded across the organization.

Sustainability and responsible governance: CERA's governance framework remained closely integrated with its ESG priorities. The Company continued to embed environmental responsibility, resource efficiency and responsible sourcing into its operational practices, supported by globally recognized certifications and robust sustainability systems. This ensured that governance excellence extended beyond compliance to responsible long-term stewardship.

Balanced and prudent decision-making: In matters involving strategic judgement and financial reporting, CERA adopted a measured and prudent approach to ensure accuracy, transparency and stakeholder confidence. At the same time, the Company retained the agility to respond proactively to evolving market opportunities, balancing governance discipline with operational flexibility and strategic responsiveness.

BUSINESS DRIVER

CERA'S CULTURE OF OPERATIONAL EXCELLENCE

Sanitaryware

18.73

Lakh, total number of pieces produced, FY25-26 (21 lakh in FY24-25)

398

Rs. crore, revenue, FY25-26 (Rs.396 crore in FY24-25)

48

%, contribution to total manufacturing revenue, FY25-26 (51% in FY24-25)

35

Number of new products manufactured, FY25-26 (42 in FY24-25)

83

%, Global yield in FY25-26 (82% in FY24-25)

81

%, capacity utilization, FY25-26 (86% in FY24-25)

Faucetware

46.56

Lakh, total number of pieces produced, FY25-26 (42 lakh in FY24-25)

438

Rs. crore, revenue, FY25-26 (Rs. 376 crore in FY24-25)

52

%, contribution to total manufacturing revenue, FY25-26 (49% in FY24-25)

271

Number of new products manufactured, FY25-26 (156 in FY24-25)

5.0

Lakh pieces per month, Proposed capacity by FY26-27 end (4 lakh pieces per month FY25-26)

97

%, capacity utilization, FY25-26 (88% in FY24-25)

Overview

As consumer expectations for bathroom products continue to rise — in finish quality, precision engineering, durability and design consistency — the pressure on manufacturing will intensify proportionally.

Precision engineering, finish consistency, durability, water efficiency, aesthetic detailing, and rapid product innovation are all shaped by the strength of a company's manufacturing ecosystem.

At CERA, manufacturing is where engineering discipline meets design ambition. Every sanitaryware and faucetware product reflects a careful balance of technology, craftsmanship, automation, process intelligence, and continuous improvement. Over the years, the Company has built one of India's most integrated and technologically advanced bathroom solutions manufacturing ecosystems — strengthening quality consistency, accelerating product development, improving operational efficiency, and reinforcing long-term competitiveness.

The Company continued to strengthen its operational competitiveness through sustained investments in automation, backward integration, process optimization, R&D, sustainability, and people capabilities. These initiatives helped enhance manufacturing flexibility, improving responsiveness, reducing operational inefficiencies, and supporting future-ready growth.

This manufacturing ecosystem is the foundation of a promise that CERA has kept, consistently and at scale, for over four decades.

Highlights, FY25-26

Machining flexibility: Large 12-spindle peeling machines were inefficient for small batch production due to high changeover time, resulting in lower operational flexibility. This was resolved with the addition of a four-spindle peeling machine, improving efficiency and enabling smoother handling of small lot production.

Recovery: Zamac (zinc-based alloy) material recovery was around 87%, indicating material wastage and inefficiencies. This has been

improved to ~90% through better process control and manufacturing optimization, enhancing cost efficiency.

Integration: Key high-volume flush valve variants were partially outsourced, leading to design and quality control limitations. This was addressed by bringing three of the six to seven variants in-house, improving consistency, control, and responsiveness.

Automation: Machining systems were relatively slower and less precise,

restricting output efficiency. This has been improved through phased deployment of fanuc high-speed CNC machines and a CNC router, enhancing precision, speed, and production capability.

Quality: Testing and inspection relied on manual methods with limited speed and consistency. This has been strengthened through German-made XRF systems and NABL-certified processes, reducing testing time and improving reliability and transparency.

Outlook

The expanded production capacity, scheduled to be commissioned in Q4 FY26-27, will support future growth while improving

manufacturing flexibility. In parallel, an internalization initiative has been launched to bring select sanitaryware SKUs in-house, which were earlier outsourced from Morbi, with products likely to be available from Q2 FY26-27.

Moreover, a greenfield sanitaryware plant is under evaluation to support long-term growth, with land already acquired for ~Rs.27 crore and an estimated first-phase construction cost of ~Rs.150 crore.

CERA'S INTEGRATED MANUFACTURING ECOSYSTEM IS THE FOUNDATION OF A PROMISE THAT CERA HAS KEPT, CONSISTENTLY AND AT SCALE, FOR OVER FOUR DECADES.

6 INSTANCES OF HOW CERA'S INNOVATION ENHANCED PRODUCTIVITY

How targeted innovation converted process constraints into scale, speed and efficiency advantages.

Business overview

Statutory reports

Financial statements



1 PVD integration

Before

- Rising demand for premium coloured faucet finishes increased the need for competitive pricing and faster availability.
- Dependence on external PVD vendors in Jamnagar created a complex dismantling, transportation and redispach process.
- Multiple handling stages increased logistics costs and turnaround time.
- Limited outsourced capacity constrained coloured-finish SKU expansion and responsiveness.

After

- Established India's first in-house multi-colour PVD facility in its category.
- Commissioned two dedicated machines for Black, French Gold and Rose Gold finishes.
- Expanded monthly coloured-product capacity from 25 SKUs to 3,800 products.
- Reduced production costs and improved pricing competitiveness.
- Accelerated product availability and strengthened responsiveness in the premium faucetware segment

2 Scaling through multi-cavity casting

Before

- Rising demand required higher casting throughput and faster production cycles.
- Conventional single-output die configurations restricted productivity.
- Increasing output without adding machine hours posed a significant challenge.
- Existing infrastructure required better utilization to support growth.

After

- Redesigned dies to enable multi-cavity casting and multiple outputs per shot.
- Improved machine utilization and production efficiency.
- Streamlined casting operations and reduced process bottlenecks.
- Enhanced productivity without significant additional infrastructure investment.
- Increased manufacturing agility to meet growing demand.

3 Driving waste reduction

Before

- Defects were often identified only after plating and assembly operations.
- Rejected pieces resulted in avoidable material, labour and processing losses.
- High rejection volumes impacted manufacturing cost efficiency.
- Late-stage defect detection increased overall wastage.

After

- Introduced an additional leakage testing stage immediately after grinding.
- Enabled early identification and segregation of defective pieces.
- Reduced monthly waste from 11,000 pieces to 3,000 pieces.
- Generated significant cost savings across the production cycle.
- Improved process discipline and manufacturing efficiency.

4 Advanced automation

Before

- Faucet production reached 45 lakh pieces in FY25-26, increasing operational complexity.
- Availability of specialized shop-floor manpower became progressively tighter.
- Labour-intensive grinding and polishing processes constrained scalability.
- Increasing throughput without expanding plant footprint remained a challenge.

After

- Deployed advanced automation including Japanese Fanuc machines and automated peeling systems.
- Introduced meter buff machines and specialized four-spindle peeling technology.
- Improved machine productivity by 30-40%.
- Increased manpower productivity by 10% to 13.8 pieces per man-day.
- Expected to reduce manpower dependency by 30-40%.
- Created a scalable and future-ready manufacturing platform.

5 Accelerating quality assurance

Before

- Raw material testing relied on conventional chemical titration methods.
- Analysis required two to three days to generate reports.
- Delayed RM quality validation and production decisions.
- Limited responsiveness to material quality variations.

After

- Installed German-make XRF RM testing machine.
- Reduced testing time from days to just 15-20 minutes.
- Enabled near real-time material analysis and validation.
- Improved decision-making speed and quality responsiveness.
- Enhanced process efficiency and manufacturing control.

6 Enabling high-tech product manufacturing

Before

- Manufacturing thermostatic diverters required specialized hot-and-cold flow testing infrastructure.
- Commercial testing systems involved substantial capital expenditure.
- Cost-effective capability creation was essential to support future demand.
- Limited testing infrastructure could constrain product scale-up.

After

- Designed and developed specialized testing machines in-house.
- Executed by CERA's maintenance team at an investment of approximately Rs.50-60 lakh.
- Created a significantly lower-cost alternative to market solutions.
- Enabled efficient large-scale production of thermostatic diverters.
- Strengthened capabilities in advanced and premium faucet manufacturing

BUSINESS DRIVER

BUILDING A FUTURE-READY DIGITAL ENTERPRISE.

Overview

Technology continues to play a critical role in enabling business performance at CERA, evolving beyond a support function into a strategic driver of operational excellence, agility and informed decision-making.

During FY25-26, the Company focused on modernizing core infrastructure, strengthening cybersecurity, expanding cloud capabilities and enhancing enterprise system integration to support efficient and scalable operations. The year was characterized by increasing

cybersecurity risks, rising expectations for seamless digital experiences and higher business continuity requirements — to which CERA responded by upgrading key technology platforms, reinforcing security controls and accelerating digital adoption across critical business processes.

Key achievements in FY25-26

- Successfully implemented SAP Work Breakdown Structure (WBS) and Material Requirements Planning (MRP) initiatives across business functions, strengthening supply chain execution and improving visibility across key operations
- Migrated to SAP BusinessObjects BI 2025, delivering faster reporting, improved user accessibility and stronger support for data-driven decision-making
- Modernized core infrastructure — including Windows Server environments, Active Directory architecture and identity and access management controls — achieving zero data loss during migration and a scalable platform for future digital initiatives
- Expanded cloud-based solutions to improve business process efficiency and collaboration
- Maintained zero major cybersecurity incidents during the year while successfully rolling out the Dealer Management System (DMS) across more than 300 key channel partners, strengthening digital governance, operational efficiency and dealer collaboration

Outlook

CERA will continue advancing its digital transformation agenda through greater automation, expanded use of cloud technologies and increased

adoption of data-driven decision-making tools. The Company also plans to enhance cybersecurity capabilities through advanced threat monitoring

and intelligence, while leveraging analytics and emerging technologies to drive productivity, responsiveness and long-term business value.

BUSINESS DRIVER

CERA'S TALENT MANAGEMENT

Overview

Great companies are built by competent professionals — and at CERA, human capital continues to power the ambition, agility and excellence that define the Company's growth journey.

In an industry where manufacturing precision, product innovation, operational discipline and customer responsiveness are essential to sustaining competitive advantage, people remain the force that brings strategy to life. Skilled

talent is critical to upholding quality standards, driving process efficiencies, accelerating innovation and strengthening customer engagement across markets.

Recognizing this, CERA remained deeply committed to building a workplace where talent thrived and performance flourished. The Company continued to invest in attracting, nurturing and retaining exceptional people while fostering a culture rooted in learning, collaboration and continuous improvement.

Through focused capability-building initiatives, structured training programs and clearly defined career development pathways, CERA empowered its workforce to grow with confidence and contribute with purpose. This people-first philosophy helped create an agile, future-ready organization—one that was well equipped to navigate evolving industry demands while remaining firmly aligned with the Company's long-term strategic vision.

CERA's human resource goal

To build a future-ready, agile, and values-driven workforce capable of supporting CERA's long-term business vision of leading sustainable bathroom solutions, premium brand positioning, manufacturing excellence, and mass-to-luxury market growth.



TALENT MANAGEMENT

Culture

- Following the successful, deep-rooted propagation of the Company's refreshed Vision, Mission, and Core Values across all organizational levels in the previous year, the impact is vividly reflected in its workplace culture. The Company successfully fostered an environment of psychological safety and fearless execution, empowering employees to innovate, speak up, and take ownership without hesitation
- Anchored its human resource philosophy in the principle of 'People First, Performance Always'
- Fostered a workplace culture built on trust, fairness, capability development, ethical governance and employee well-being
- Strengthened people systems in line with evolving Labor and Wage Code reforms
- Enhanced transparency in wage structures and employee benefit frameworks

- Expanded social security coverage while ensuring rigorous statutory compliance
- Reinforced workplace safety standards and equitable employment practices across operations

Leadership

- Promoted a leadership philosophy centered on behavior, accountability and ownership rather than hierarchy
- Cascaded strategic priorities into measurable individual KRAs across functions

- Strengthened accountability through structured goal setting and performance management systems
- Supported leadership development through mentoring, succession planning and developmental interventions
- Built a pipeline of confident, accountable, and business-

oriented leaders across organizational levels, resulting in a stable leadership team with strong continuity, no significant changes in leadership, and sustained organizational effectiveness through consistent leadership capability and succession readiness.

Capability

- Reinforced a learning-oriented culture through its 'One Culture – One Communication' philosophy
- A key highlight of our operational excellence was the robust participation of cross-functional teams under our Quality Circles and Productivity Enhancement initiatives. Crucially, these teams included significant representation from our frontline workers. This collaborative approach stands as a powerful testament to our commitment to inclusive governance, demonstrating that CERA actively encourages and

- values strategic participation across every level of the organization.
- Aligned capability-building initiatives with organizational and business priorities
- Conducted structured technical, behavioral and leadership development programs
- Strengthened managerial effectiveness through targeted learning interventions
- Maintained robust performance management and capability enhancement systems
- Demonstrating our deep commitment to continuous

learning, the Company recorded more than 9,061 total training participation across various programs in FY25-26. This reflects the extensive reach and frequency of our capability-building interventions across our workforce.

- Covered areas including technical skills, managerial capability, compliance, occupational health and safety, POSH awareness and data security

Engagement

- Strengthened employee morale, engagement and organizational connectedness
- Promoted transparent communication through

- structured employee interaction platforms
- Conducted family connect initiatives to deepen employee and family engagement
- Organized Family Fun Days and factory visits to strengthen trust and belongingness

- Facilitated direct interactions between employees and leadership teams
- Reinforced workplace alignment through open communication and participation

Well-being

- Prioritized holistic employee well-being through preventive healthcare and wellness initiatives
- Maintained a residential township housing over 170 families, along with dedicated worker accommodation, fostering employee well-being, community engagement and a strong sense of belonging through regular cultural and recreational activities.

- Conducted wellness awareness programs and occupational health certification initiatives
- Delivered first aid, CPR and emergency preparedness training
- Promoted tobacco cessation and menstrual hygiene awareness programs
- Introduced employee-focused initiatives such as Self-Care Saturdays

- Undertook more than 410 HR home visits to strengthen employee connect
- Organized a month-long Sports Carnival with participation from over 1,750 employees
- Encouraged family-inclusive programs to foster balance, renewal and psychological safety
- Extended financial support and employee welfare through the CERA Cooperative Society

Harmony

- Maintained harmonious industrial relations as a key organizational priority
- Strengthened transparent compliance and employee relations frameworks

- Fostered an inclusive workplace environment across locations and functions
- Encouraged proactive employee engagement and grievance resolution practices

- Sustained zero operational disruptions during the year
- Reinforced institutional accountability, workforce stability and long-term organizational resilience

TALENT OUTCOMES

Operational stability

Zero major disruptions through proactive industrial relations and uncompromising compliance, ensuring uninterrupted operations and consistent market supply.

Productivity gains

Sharper shop-floor discipline, targeted behavioral interventions and stronger attendance management enhanced manufacturing efficiency and premium product quality.

Employer strength

Robust governance, strong social trust and a high-performance people culture reinforced CERA's standing as a benchmark employer brand.

Highlights, FY25-26

Compensation: Legacy compensation structures required recalibration to align with evolving statutory wage definitions. This was addressed through a comprehensive restructuring of compensation architecture, strengthening compliance while enhancing long-term employee social security coverage.

Diversity, Equity & Inclusion (DEI): CERA was proudly recognized and awarded in the DEI 100 – India's First DEI Index. This prestigious accolade stands as a testament to our deliberate focus on accelerating diversity hiring and cultivating a deeply inclusive, DEI-friendly

workplace culture across all operations.

Culture: The organization's existing cultural framework required sharper articulation to support future growth. This was strengthened through the rollout of refreshed Vision, Mission and Core Values across the Company, reinforcing alignment and shared purpose at every level.

Industrial relations: Sustaining workforce harmony remained critical amid evolving business priorities. This was achieved through regular union-management engagement and continuous alignment, ensuring stable industrial relations and uninterrupted operations.

Family connect: Traditional workplace engagement models offered limited visibility into employees' broader support systems. This was addressed through 410+ personalized family visits, deepening trust and building stronger emotional connections beyond the workplace.

Well-being: Opportunities to foster employee camaraderie and collective wellness were expanded through the annual Sports Carnival, which engaged approximately 1,750 employees and strengthened team spirit across locations.

Support systems: Employee welfare required a broader ecosystem of practical and financial support. This was strengthened through seamless

township relocation assistance, facilitation of 436 employee cooperative society loans and targeted community development initiatives, enhancing stability and quality of life.

Outlook

Execution: FY26-27 will mark a defining phase in advancing CERA’s people agenda from capability building to sharper execution. The Company will intensify its focus on embedding deeper individual accountability through precise, quantitative and state-specific KRAs across officer and frontline roles, strengthening ownership and performance alignment across the organization.

Leadership: Building a stronger second line of leadership across technical and corporate functions

will remain a strategic priority, ensuring a robust pipeline of future-ready leaders capable of supporting the Company’s long-term growth ambitions.

Capability: Capability development initiatives will be accelerated to enhance productivity, strengthen innovation and support premiumization, particularly across high-value offerings such as CERA Luxe and Senator.

Digitalization: Continued investments in digital HR systems, real-time analytics and HRMS modernization will strengthen organizational agility, improve workforce visibility and support faster, data-driven decision-making.

Harmony: The Company will continue prioritizing industrial

harmony through proactive employee engagement, transparent communication and rigorous compliance practices, reinforcing workplace stability and trust.

Well-being: Workplace safety, employee wellness, mental well-being and ESG-linked people initiatives will remain integral to the Company’s human capital agenda, supporting a healthier, safer and more inclusive work environment.

Investment: With employee costs expected to increase by approximately 10% year-on-year and the long-term wage settlement process underway, the Company remains committed to making disciplined people investments that strengthen organizational resilience, operational stability and sustainable long-term growth.

Talent scorecard across the years

Number of employees

FY24	FY25	FY26
1,231	1,240	1313

Gender-wise employee mix

	FY24	FY25	FY26
Male	1,148	1,158	1235
Female	83	82	78

Number of employees as per age

Age	FY24	FY25	FY26
22-35	518	497	478
36-45	483	520	590
46-60	230	223	243
Above 60	-	-	02

Number of employees as per their academic qualification

Age	FY24	FY25	FY26
Graduate	392	400	475
Masters	159	167	163
Engineers	188	198	185
MBA	214	222	279
Chartered accountant	10	9	9

Gender-wise employee tenure

Tenure	FY24		FY25		FY26	
	Male	Female	Male	Female	Male	Female
More than 5 years	501	39	499	39	461	35
Less than 5 years	647	44	659	42	774	43

COMMITMENT

CERA AND COMMUNITIES

How we have widened the circle of prosperity

Overview

At CERA, responsible growth extends beyond business performance to creating meaningful and lasting social impact. The Company believes that sustainable progress is achieved when economic success is accompanied by the upliftment of communities and the strengthening of social infrastructure.

Guided by this philosophy, CERA continues to invest in initiatives that improve access to healthcare, education, skill development, women empowerment, sports, rural development, environmental

awareness and heritage preservation. These interventions are designed to address critical community needs while creating opportunities for long-term social transformation.

The Company’s community development journey draws inspiration from the vision of the late Mr. Vidush Somany, whose belief in inclusive growth laid the foundation for CERA’s enduring commitment to social responsibility.

During FY25-26, CERA spent Rs.517.39 lakh across a wide range of corporate social responsibility

initiatives, positively impacting lives across Gujarat, West Bengal and neighboring regions. Through focused interventions and strategic partnerships, the Company continued to strengthen healthcare access, enhance educational outcomes, support livelihood generation and contribute towards building stronger and more resilient communities.

517.39

Rs. Lakh, CSR spent, FY25-26

CSR initiatives

Healthcare access: The Company strengthened healthcare outcomes through investments in advanced medical infrastructure, diagnostic capabilities and patient support programs. Initiatives ranged from supporting neurosurgical and ophthalmic care to enhancing rural diagnostics, nutritional assistance and chronic disease management.

Education support: It enhanced learning environments across rural communities through smart classrooms, digital learning tools, science laboratory equipment, sports infrastructure, drinking water

facilities and sanitation amenities, creating more engaging and student-friendly educational spaces.

Skill development: It improved employability and self-reliance through computer education and supplementary tuition programs for children from economically weaker backgrounds, equipping them with practical skills and greater livelihood opportunities.

Women empowerment: It promoted economic independence among women through vocational training programs in beauty care and tailoring, enabling beneficiaries to

acquire income-generating skills and strengthen household financial stability.

Heritage preservation: It supported heritage development initiatives in Vadnagar, Gujarat contributing to the preservation and promotion of India's cultural legacy while fostering local pride and community engagement.

Sports promotion: It encouraged youth participation and community engagement through the development of sports infrastructure, including high-mast lighting facilities that enabled safe evening sporting activities and tournaments.

CORPORATE INFORMATION

Board of Directors

Mr. Vikram Somany

Chairman and Managing Director

Mrs. Deepshikha Khaitan

Vice Chairman and Joint Managing Director

Mr. Anupam Gupta

Executive Director (Technical)

Mr. Surendra Singh Baid

Independent Director

Ms. Akriti Jain

Independent Director

Mr. Ravi Bhamidipaty

Independent Director

Mr. Anandh Sundar

Independent Director

Chief Financial Officer

Mr. Vikas Kothari

Company Secretary

Mr. Hemal Sadiwala

Bankers

State Bank of India

Statutory Auditors

Singhi & Co.,

Chartered Accountants,

Mumbai.

Registered Office

9, GIDC Industrial Estate, Kadi - 382715, Dist. Mehsana, Gujarat, India.

Phone: (02764) 243000, 242329

www.cera-india.com;

E-mail : kadi@cera-india.com;

CIN: L26910GJ1998PLC034400

Corporate Office

7th & 8th Floor, B Wing, "PRIVILON", Ambli BRTS Road, ISKCON Cross Roads, Ahmedabad - 380059.

Sanitaryware and Faucetware Plants

9, GIDC Industrial Estate, Kadi - 382715, Dist. Mehsana, Gujarat.

Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited

201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009.

www.mcsregistrars.com E-mail: mcsstaahmd@gmail.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Thursday, the 23rd day of July, 2026 through Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2026 including statement of Profit and Loss and Cashflow Statement for the year ended 31st March, 2026, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare Dividend on Equity Shares for the financial year 2025-26.
3. To appoint a director in place of Mrs. Deepshikha Khaitan (DIN: 03365068), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of Rs. 1.10 Lakh plus out of pocket expenses and applicable taxes, if any for the financial year ending 31st March, 2027, as recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to K. G. Goyal & Co., Cost Accountants for conducting the Audit of the Cost records of the company be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Regd. Office:
9, GIDC Industrial Estate,
Kadi - 382715
Dist. Mehsana, Gujarat.
CIN : L26910GJ1998PLC034400
Date: 8th May, 2026
Place: Ahmedabad

By Order of the Board of Directors
For Cera Sanitaryware Limited

Hemal Sadiwala
Company Secretary
(ACS:20741)

NOTES

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 dated 5th May, 2020, 3/2025 dated 22nd September, 2025 and other circulars issued in this respect ("MCA Circulars") has allowed, inter-alia, conduct of AGMs through Video Conferencing / Other Audio-Visual Means ("VC/ OAVM") facility, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The detailed procedure for participation in the Meeting through VC / OAVM is as per note given below.
2. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM alongwith the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2025-26 is also be available on the Company's website www.cera-india.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com & National Stock Exchange of India Limited at www.nseindia.com and notice of AGM is available on the website of CDSL: www.evotingindia.com. Members who have not registered their email address are requested to get their email address registered with their DP in case the shares are held in electronic mode and with Company's Registrar and Share Transfer Agent - MCS Share Transfer Agent Limited, Ahmedabad in case shares are held in Physical Form. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.
3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to evoting@parikh-dave.com with a copy marked to helpdesk.evoting@cdslindia.com
6. Members are requested to intimate changes, if any, pertaining to their Name, Postal Address, Email Address, Telephone / Mobile Numbers, Permanent Account Number (PAN), Mandates, Nominations, Power of Attorney, Bank details such as, Name of the Bank and Branch details, Bank Account Number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MCS Share Transfer Agent Limited, Ahmedabad in case the shares are held by them in physical form.
7. The Register of Members and Share transfer book of the Company will remain closed from 8th July, 2026 to 15th July, 2026 (both days inclusive). Accordingly, the Record Date for the purpose of ascertaining the eligibility of the members to receive the dividend is 7th July, 2026.
8. The Board of Directors has recommended Dividend of Rs. 75/- (1500%) per fully paid-up equity share of Rs. 5/- each for the Financial Year 2025-26.
9. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 and SEBI Listing Regulations, in respect of special businesses in the annual general meeting is annexed herewith and forms integral part of the Notice.
10. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2017-18 to the Investor Education and Protection Fund Authority (IEPF Authority) established by the Central Government and uploaded the details of unpaid / unclaimed dividend on the website of the Company at www.cera-india.com.

Members who have not encashed their dividend warrants from the financial year 2017-18 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial Year	Date of declaration of dividend	Dividend per Share (Rs.)	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2018-19	31-07-2019	13/-	260%	30-08-2026
2019-20*	14-02-2020	13/-	260%	14-03-2027
2020-21	04-08-2021	13/-	260%	03-09-2028
2021-22	30-06-2022	35/-	700%	29-07-2029
2022-23	06-07-2023	50/-	1000%	05-08-2030
2023-24	11-07-2024	60/-	1200%	10-08-2031
2024-25	17-07-2025	65/-	1300%	16-07-2032

* Interim Dividend

11. Tax Deductible at Source (TDS):

Pursuant to the Income tax Act, 1961, dividend income will be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and with their respective depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit declaration in Form No. 121(Firstwhile Form no.15G or Form No. 15H), to avail the benefit of non-deduction of tax at source by email to ceragreen@cera-india.com. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%. (Note: Shareholders are requested to make sure that their PAN are active and duly linked with their Aadhaar Card.)

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. self -attested copy of the Permanent Account Number (PAN Card), if any, allotted by the Indian authorities; self-attested copy of Tax Residency Certificate (TRC) valid as on the AGM date obtained from the tax authorities of the country of which the shareholder is resident; self-declaration in Form 41(Firstwhile Form 10F). Self-declaration confirming not having a Permanent Establishment in India and eligibility to Tax Treaty benefit by sending an email to ceragreen@cera-india.com. TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the abovementioned documents are not provided.

In case of shares held jointly, all the above documents are to be signed by all joint shareholders. Any communication in relation to tax rate determination/deduction received post 10th July, 2026 shall not be considered. The details of TDS Instructions TDS rate for each category of shareholders and necessary format of declarations is also available in Annexures at the website of the Company at www.cera-india.com >> Home >> Investor Relations >> Shareholder and AGM information

12. 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, all the shares on which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares are required to be transferred to the Investor Education and Protection Fund. Company would be sending individual communications to all such shareholders whose dividend has not been paid or

claimed for any year during the said seven consecutive years requesting them to claim their dividend before the due date of transfer failing which their shares would be transferred to the IEPF. 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 IEPF Authority at www.iepf.gov.in. Such shareholders are requested to update their KYC, claim their shares and unclaimed / unpaid dividend immediately.

13. SEBI Master circular no. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/ 70 dated 17th May, 2023 and other circulars issued on time to time, provides simplified norms for processing investor's service request, the shareholders holding shares in Physical mode are mandatorily require to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company / Registrar & Share Transfer Agent (RTA) of the Company. Shareholders are also requested to make sure that their PAN is successfully linked with Aadhaar Card. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details at the earliest to MCS Share Transfer Agent Ltd.

Shareholders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN, Contact Details, Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only upon furnishing of above-mentioned details. The payment shall be made through electronic mode only with effect from April 01, 2024.

The relevant formats for Change/Updation of KYC Details like, Mobile Number, Email ID, Bank Details, Signature and Registration of Nomination or Opting Out of Nomination are in Form ISR-1, ISR-2, ISR-3, SH-13, SH-14. All these form and SEBI circulars are available on Company website as well as the website of MCS Share Transfer Agent Ltd.

Nomination facility is available for the Members as per Section 72 of the Act. Members of the Company have an option to nominate any person as their nominee to whom their shares shall vest in the unfortunate event of their death. It is advisable to avail this facility, especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission of shares by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to Depository Participant (DP).

14. The Securities and Exchange Board of India ("SEBI"), vide Circulars dated 31st July, 2023, 4th August, 2023 and 20th December, 2023 respectively, has introduced a Common Online Dispute Resolution ("ODR") mechanism to facilitate online resolution of all kinds of grievances/ disputes/complaints arising in the Indian Securities Market. The said ODR Portal (<http://smartodr.in/login>) permits the shareholder(s) an additional mechanism to resolve the grievances/ complaints/ disputes. Details of the same are also made available on the website of the Company.
15. In accordance with the SEBI circular No. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated 30th January, 2026, shareholders of the company are hereby informed that another special window for transfer and dematerialisation of physical securities which were sold / purchased prior to April 01, 2019, has been open for a period of one year from 5th February, 2026 to 4th February, 2027. This special window is open only for re-lodgement of transfer deeds which were lodged prior to the deadline of 1st April, 2019 and rejected / returned / not attended to due to deficiency in the documents / process / or otherwise. The shares that are re-lodged for transfer will be issued only in demat mode under lock-in for a period of one year from the date of registration of transfer. Such shares shall not be transferred / lien-marked / pledged during the said lock-in period. The disputed cases and IEPF transferred shares shall not be considered under this window for processing. The concern shareholders may submit the Share Transfer Deed and original share certificate(s) along with all necessary documents, duly complete in all respects, to the Registrar and Share Transfer Agent (RTA), MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009, Contact No. 079-26580461/62/63, Email ID: mcsstaahmd@gmail.com for re-lodgement the transfer requests.
16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 13th July, 2026 through email on ceragreen@cera-india.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
17. Only those Shareholders whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 16th July, 2026 shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting.
18. During the AGM, the scanned copy of Minutes of the General Meetings, Register of Directors & Key

Managerial Personnel and their Shareholding, Register of Charges, Index of Members, the Register of Contract maintained by the Company under the Companies Act, 2013, will be available for inspection by the members on the website of the Company.

19. Payment of Dividend:

Shareholders holding shares in Electronic Form:

Such shareholder may note that their bank account details linked with their demat accounts, as furnished by their depositories to the RTA of the Company will be considered by the Company for payment of Dividend. Shareholders who are holding shares in electronic mode are requested to make sure that they have linked/ updated latest and correct details of Bank Account Number, Name of Bank, Branch address, MICR Code, IFSC Code with their Demat Account maintained with their respective Depository Participant (DP). The Company will not entertain any direct request from such shareholders for update / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account. In case the Company is unable to pay the dividend to such Shareholders by the electronic mode, due to non-availability of the complete details of the Bank account, the Company shall dispatch the Dividend Warrants / Demand Drafts to such Shareholders in physical mode by post to their registered address.

Shareholders holding shares in Physical Form:

SEBI, vide its Master Circular dated 17th May, 2023 and subsequent notifications thereto, had made it mandatory for holders of physical shares to furnish details of PAN, KYC (Postal Address, Mobile Number, E-mail, Bank Details, Signature) and Nomination / opt out of Nomination.

Further SEBI has mandated that with effect from 1st April, 2024, dividend to Shareholders (holding shares in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

In order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to follow the below instructions and send the following documents in original to the RTA immediately.

- a) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at <https://www.cera-india.com/investor-relations/for-physical-shareholders> and on the website of the RTA at: <https://www.mcsregistrars.com/downloads.php>

- b) Cancelled cheque in original, bearing the name of the shareholder or first holder, in case shares are held jointly.
- c) Self-attested photocopy of the PAN Card of all the holders; and
- d) Self-attested photocopy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company
20. Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the

Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner. The voting results will be declared on receipt of scrutinizer's report. The voting results along with the Scrutinizer's Report will be placed on the website of the Company at www.cera-india.com and on the website of CDSL, within two working days of the conclusion of the AGM of the Company and will also be submitted to BSE and NSE where the shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. 23rd July, 2026.

21. Brief resume of Director, who is proposed to be re-appointed at this meeting are given below:

Name of Director	Mrs. Deepshikha Khaitan
DIN	03365068
Date of Birth	17/03/1975
Date of First Appointment on Board / Re-appointment (Re-appointed as Vice Chairman & Joint Managing Director w.e.f. 1 st April, 2025)	29/03/2014
Qualification	B.Sc. Hons. (Economics), LLB
Brief Resume and Nature of expertise in specific functional areas	Plays a key role in driving design innovation, product development, R&D initiatives, expanding channel outreach, enhance sales & marketing strategies, overall profitability.
List of other Directorships	- Indian Council of Sanitaryware Manufacturers - Star Agrocom Pvt. Ltd.
Resignation from Listed Companies in last Three years	Not Applicable
Chairman / Member of the Committees of the Board of other Companies	Nil
Terms and conditions of re-appointment	She is liable to retire by rotation.
Disclosure of relationship between Director Inter-se	Mrs. Deepshikha Khaitan is a daughter of Mr. Vikram Somany, Chairman and Managing Director of the Company.
Shareholding in the Company as on date of this notice	3,35,789 (Shareholding as Beneficial Owner – Nil)
No. of Board Meetings attended during FY 2025-26	5

22. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Monday, 20th July, 2026, 9:00 AM IST and ends on Wednesday, 22nd July, 2026, 5:00 PM IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 16th July, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance

of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 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 email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 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 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL Depository	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: https://eservices.nsdl.com either on a Personal Computer or on a mobile. 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 service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to “e-Voting service provider website” for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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 or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on “Shareholders” module.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to 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 Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant <CERA SANITARYWARE LIMITED> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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.

- Alternatively, Non-Individual shareholders are required mandatory 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; 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ceragreen@cera-india.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ceragreen@cera-india.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, 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 ceragreen@cera-india.com.
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.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed by sending an email to helpdesk.evoting@cdslindia.com or call toll free no. 18002109911 or call Mr. Nitin Kunder (022-62343626) or Ms. Asawari Kalokhe (022-62343624) or Mr. Rakesh Dalvi (022-62343611) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013.

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 102 OF THE COMPANIES ACT, 2013.**

Item No. 4

The Board of Directors on the recommendation of the Audit Committee has appointed Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2027 and approved the payment of remuneration payable to them. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027. The Board of Directors recommends the ordinary resolution as per item No. 4 of the accompanying notice for approval of the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, concerned or interested financially or otherwise in the said resolution as per item no. 4 of the Notice.

Regd. Office:
9, GIDC Industrial Estate,
Kadi – 382715
Dist. Mehsana, Gujarat.
CIN : L26910GJ1998PLC034400
Date: 8th May, 2026
Place: Ahmedabad

By Order of the Board of Directors
For Cera Sanitaryware Limited

Hemal Sadiwala
Company Secretary
(ACS:20741)

DIRECTORS' REPORT

To
The Shareholders,

The Directors have pleasure of presenting the 28th Annual Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2026.

Performance

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

(Rs. in Lakhs)

Standalone	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from Operations	2,05,011.98	1,91,525.12
Earnings before Interest, Taxes, Depreciation & Amortisation and Exceptional Item (EBITDA)	32,204.46	35,322.73
Interest	646.78	711.57
Depreciation	3,865.75	3,851.49
Profit before taxes and Exceptional Item	27,691.93	30,759.67
Exceptional Item	(780.68)	(150.43)
Profit before tax	26,911.25	30,609.24
Tax Expense:		
- Current Tax	6,054.27	6,721.97
- Deferred Tax	438.42	(761.16)
Net Profit for the year	20,418.56	24,648.43

Highlights / Performance of the Company

Revenue from Operations of the Company for the year increased by 7% (Rs.2,05,011.98 Lakhs in FY 2025-26 as compared to Rs.1,91,525.12 Lakhs in FY 2024-25).

EBITDA for the year decreased by 9% (Rs.32,204.46 Lakhs in FY 2025-26 as compared to Rs.35,322.73 Lakhs in FY 2024-25).

Profit after Tax for the year decreased by 17% (Rs.20,418.56 Lakhs in FY 2025-26 as compared to Rs.24,648.43 Lakhs in FY 2024-25).

Exceptional Item

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes', which became effective from 21st November 2025. However, the new rules are yet to be notified even as on date.

Based on FAQ's and clarifications issued by the Ministry of Labour, deliberations at various forums and also professional advice obtained based on detailed examination of final wage structure and the various provisions of the above new Labour Codes, the Company, based on Actuarial Valuation, has determined that the incremental estimated liabilities as on March 31, 2026 on account of past service cost in relation to Gratuity and Leave liability amounted to Rs.780.68 Lakhs which has been disclosed under "Exceptional items".

The Company continues to monitor the finalisation of Central / State Rules and further clarifications from the Government on other aspects of the Labour Codes and will account for any additional impact, if required, based on such developments.

Dividend

The Board of Directors of your Company, after considering the Company's performance and keeping in view the Dividend Distribution Policy, recommended a dividend of Rs.75/- per share (1500%) on 1,28,97,541 Equity Shares of Rs. 5/- each fully paid for the Financial Year 2025-26. [Previous year Dividend of Rs. 65/- per share (1300%)], to be paid subject to the approval of the members at the ensuing Annual General Meeting.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy of the Company is available on the Company's website at <https://www.cera-india.com/policy-and-statutory-documents/dividend-distribution-policy>

During the year, the unclaimed dividend pertaining to the financial year ending 2017-18 were transferred to the Investor Education and Protection Fund.

Transfer to Reserves

The Company has transferred a sum of Rs. 6,265.02 Lakhs to General Reserve in the current year (previous year Rs. 6,113.35 Lakhs).

Sanitaryware Unit

Your Company has strategically aligned its production capabilities with evolving market demand, ensuring optimal utilization of all available resources. This proactive approach has enabled the organization to maintain operational efficiency while remaining responsive to customer requirements and industry dynamics.

A strong culture of collaboration between workers and staff has been instrumental in successfully implementing new initiatives across key operational areas, including safety, quality, delivery, and cost optimization. This collective effort has not only strengthened internal processes but has also resulted in measurable improvements in product yield and consistency. Furthermore, it has enhanced the Company's ability to meet delivery commitments in a timely and reliable manner, thereby reinforcing customer trust and satisfaction.

In line with its long-term growth strategy, the Company has acquired a substantial portion of land for its greenfield expansion project focused on the sanitaryware segment. This expansion underscores the Company's commitment to scaling operations, adopting advanced manufacturing capabilities, and capturing emerging market opportunities.

Your Company remains committed to driving innovation through continuous product development and design excellence. Leveraging the expertise of its dedicated New Product Development (NPD) team, the Company has introduced distinctive offerings such as the one-piece symphonic EWC, premium rimless wall-hung EWC, innovative colour variants, and the Lustre series. To strengthen innovation capabilities, the Company has institutionalized robust knowledge-sharing platforms, structured review mechanisms, process controls, and standardized operating procedures, ensuring consistency, repeatability, and reproducibility across new product introductions. Further enhancing its development infrastructure, the Company has commissioned a state-of-the-art CNC router that is expected to significantly accelerate product development cycles, improve dimensional precision, and enhance overall product performance and quality.

CERA has adopted robotic glazing technology which gives us more controlled and uniform glaze coating on the sanitary ware as compared to manual glazing. This type of uniform glaze coating provides better aesthetic look of final products. Robotic glazing reduces dependence on manual labour.

CERA was the first sanitaryware industry in India to introduce 3D printers. This has considerably reduced the duration for conversion of concept into launch for new designs. The major advantages of 3D printers include improved product aesthetics, good symmetry in product

etc. Simulation with XRF Machine, an advanced testing for accurate raw material composition, ensures strict quality control at incoming stage, Strengthens overall process reliability and consistency with minimum variation.

The Company continues to adhere to best-in-class manufacturing practices, fostering a culture of continuous Improvement across all levels of the organization. Through systematic initiatives such as waste elimination, incremental improvements driven by Kaizen principles, and dedicated projects focused on cost efficiency and sustainability, the Company has achieved significant gains in resource utilization. These efforts have not only optimized operational performance but have also contributed to building a more resilient, efficient, and environmentally responsible manufacturing ecosystem.

Your Company's commitment is supported by a disciplined approach to production planning, quality assurance, and resource optimization. By aligning operational processes with demand dynamics and focusing on efficient utilization of manpower, materials, and technology, the Company ensures minimal wastage and maximum output effectiveness. This not only enables the organization to maintain competitive standards in quality and delivery but also reinforces its reputation for reliability and customer satisfaction. Through continuous focus on operational excellence, the Company strives to create sustainable value for all stakeholders while maintaining efficiency across its value chain.

Faucetware Unit

Your Company has continued its growth trajectory for yet another year, achieving higher levels of production and sales volume and thereby reaching new milestones of performance. The Company's strong culture of continuous improvement remains a key driver of this progress and will be further strengthened through ongoing debottlenecking initiatives, adoption of advanced technologies, and increased automation of processes.

Your Company expects even higher growth in the coming times in its Faucets business. With this in view, as you know, company had launched new colour faucet designs in line with the changing customer preferences and market need. We have now further launched 143 additional new products and 128 new SKUs in various color finish products which has come to total launch of more than 500 colour SKUs. We have also installed and commissioned world class PVD color facility at the plant location which have further strengthened our capability to provide higher quality and to also innovative in colors with the inhouse capability, we can supply the raising demand in less than 15 Days, which has stood best among the class.

Your company has further completed expansion to operate at the total capacity of 5.2 Million Pcs per annum. The factory holds strong Zero Liquid Discharge status which keep it separate and unique. To further strengthen effluent treatment, we have added "Ozonater" treatment technology.

Your Company remains dedicated to deliver high-quality products and has enhanced its world class manufacturing technology with new additions of New Electro Plating Line with the capability of coating copper as well, which will further enhance the capability to provide the best finish quality. Your company is committed to focus on customer expectations while maximizing operational excellence.

Your company has received prestigious international NABL certification on its plant quality lab. This will further enhance our capability to check and provide best international quality

Your Company is firmly committed to the conservation of natural resources and continues to prioritize sustainability across its operations. In line with this commitment, the Company is placing increased emphasis on the development and promotion of water-saving products, recognizing their critical role in environmental sustainability and ecosystem preservation. Notably, majority of the current product portfolio can be offered as water-efficient solutions, reinforcing the Company's contribution toward responsible water usage and a greener future.

Bathware Unit

The Company's product portfolio has been significantly strengthened across its core categories -Sanitaryware, Faucets, Tiles, and Wellness and is now more comprehensive than ever. This has been further augmented through expanded offerings in vanities, kitchen sinks, shower enclosures, mirrors, and a wide range of bathroom accessories, enabling the Company to deliver holistic bathroom solutions to its customers.

Senator

Amid strong momentum in the luxury segment, the Company has successfully positioned Senator as a benchmark for luxury in the Indian bathroom solutions space. The brand now offers a comprehensive premium portfolio spanning wellness bathtubs, electronic toilets, designer art basins, fine fire clay basins, thermostatic high-performance diverters, and LED showers, among other advanced offerings.

CERA Luxe

During the current year, the Company continued its focus on CERA Luxe, comprehensive premium range, spanning electronic toilets, designer sanitaryware, and wellness products, along with coordinated showers and thermostatic diverters, delivering a holistic and integrated bathroom solution. All thoughtfully designed to create modern, cohesive, and premium bathroom spaces, aligned with evolving consumer aspirations.

CERA

Cera continues to innovate with new products in Sanitaryware and Faucets categories. These additions aim to enhance the bathroom décor and provide more choices to the customers.

With a clear vision to deliver complete bathroom solutions across all segments from mass market to luxury the Company remains well-positioned for sustained growth, supported by its marketing activities and expanded retail presence.

Dominant Media Presence Driving Category Leadership

The Company continued to strengthen its share of voice in media through sustained investments in integrated, high-impact marketing initiatives, reinforcing its leadership position in the category.

During the year, the CERA television campaign was executed on a pan-India scale across leading national and regional news channels, including Aaj Tak, Republic TV, Times Now, India TV, CNN-News18, Asianet, TV9, and ABP Ananda. The campaign delivered extensive reach and frequency, with over 10,000 ad spots across Hindi-speaking markets and key regional markets, significantly enhancing brand visibility.

The Company further strengthened its presence through strategic associations with high-impact television properties, including Bigg Boss Malayalam, hosted by Mohanlal, and Bigg Boss Telugu, hosted by Akkineni Nagarjuna. These partnerships enabled deeper audience engagement, strengthened emotional connect, and enhanced overall brand affinity.

In the digital entertainment space, the Company expanded its footprint through OTT integrations, co-presenting series such as Salakaar and Trial 2 on JioHotstar. This enabled the brand to effectively connect with metro and Tier 1 audiences, further amplifying its digital reach and relevance.

The Company also leveraged premium outdoor advertising, at selected high-footfall airports namely Delhi, Bengaluru, and Ahmedabad, to drive high-impact visibility among affluent and discerning consumers, thereby strengthening top-of-mind recall.

In print and editorial media, the Company partnered with leading lifestyle, architecture, and trade publications such as Architectural Digest, Indian Architect & Interiors India, Good Homes India, India Today Homes, and LivingETC, ensuring strong visibility among industry professionals and design-conscious consumers.

Collectively, these initiatives have significantly enhanced brand awareness, reinforced credibility, and driven consumer interest in the Company's diverse product portfolio.

Digital-First Strategy Driving Brand

The Company continues to strengthen its digital presence through high-impact, product-led content that delivers visually compelling storytelling, aligned with evolving audience preferences across social platforms. This has resulted in strong consumer traction, improved engagement metrics, and enhanced brand recall.

Recognizing the growing influence of the design ecosystem, the Company has deepened its engagement with architects and interior designers as key opinion leaders. Through

curated content, featuring industry experts, design inspirations, and application-led product storytelling, the Company has strengthened brand credibility within the professional community while influencing end-consumer choices. This was further reinforced through Senator's participation at FOAID, one of India's most prominent platforms for architecture and interior design, where architect influencers amplified brand presence across social media, significantly extending its reach within the design fraternity.

Building on its legacy of interactive campaigns, the Company drove strong consumer participation through #VibeWithCera, a digital engagement initiative leveraging user-generated content and social amplification, resulting in a significant surge in organic reach, engagement, and brand affinity.

The Company has also accelerated its digital commerce journey, offering customers a seamless browsing and purchase experience through its website. Designed to be partner-inclusive, the platform fosters a collaborative digital ecosystem that unlocks new revenue streams for the partner network.

Further strengthening its digital infrastructure, the Company has implemented an advanced Lead Management System that consolidates leads from multiple touchpoints—including websites, social media, landing pages, and on-ground activations. These leads are qualified through a centralized call centre and routed to relevant channel partners, thereby improving conversion efficiency and optimizing sales outcomes.

Expanding Trade Presence through Brand Store Network

The Company continued its strategic focus on expanding its retail footprint to strengthen its distribution network across the country. During the year under review, a comprehensive transformation of CERA brand stores was undertaken to enhance the overall consumer experience. The Company successfully launched 414 new stores during the financial year.

The Company also accelerated the growth of its premium retail brand, CERA Luxe, with the launch of over 200+ exclusive showrooms across key cities during the year. Building on this momentum, the Company plans to expand its presence in this segment with the addition of 75 new exclusive stores in the next financial year. In addition, 21 new Senator showrooms were introduced, with plans to further expand this network by adding 35 more showrooms in the ensuing financial year.

Further strengthening its Company-owned Experience Centres, the Company opened a CERA Style Studio in Jaipur and undertook the renovation of its existing studios in Kochi and Hyderabad. With these developments, the total number of Company-owned experience centres has increased to 13 across the country.

These state-of-the-art experience centres are designed to showcase the Company's comprehensive premium product portfolio, including smart toilets, powder room faucets, and wellness solutions, in an immersive and experiential environment. They also serve as a key enabler for channel partners, providing customers with an opportunity to engage with and experience the products firsthand.

Immersive Product Showcases through Exhibitions & Activations

The Company actively participated in key industry events and exhibitions during the year, including FOAID Exhibition (Delhi) & The Good Homes Realty Awards, reinforcing Senator's association with premium living.

The Hindu Home Expo (Kochi and Thiruvananthapuram), Archex – The Architectural Expo 2025–26 (Chandigarh), CREDAI Expo (Thiruvananthapuram), ABID Interiors (Kolkata), IIID-LAF Samagam (Lucknow) and 17th Griha Summit (New Delhi), among others. These platforms provided strong brand visibility and reinforced the Company's market positioning.

Participation in such exhibitions enabled the Company to effectively showcase its diverse product portfolio to a targeted audience comprising architects, developers, channel partners, and end consumers.

The Company's Van Yatra initiative, spanning 100+ rural cities, continues to play a pivotal role in expanding market reach and penetration across rural and underserved markets, strengthening the Company's last-mile connectivity and brand presence.

These initiatives have contributed to strengthening the Company's market presence, enhancing consumer engagement, and generating new business opportunities. The Company remains committed to leveraging such platforms to drive sustained growth and brand leadership.

Driving Growth with High-Impact Loyalty Programmes

The Company's loyalty initiatives continued to witness strong engagement across key stakeholder groups. The CERA Superstar Retailer Programme recorded participation from over 29,000+ retailers, representing approximately 19% GOLY in the overall member base, with ₹1,680+ Cr. secondary sales under the programme and ₹52+ Cr. rewards redemption.

The CERA Star Plumber Programme also demonstrated significant scale, with over 23,000+ plumbers onboarded during the year, taking the total registered base to 73,000+ plumbers. The programme issued 4.4+ Cr. stars and achieved a robust 70% redemption rate.

Building on the success of these initiatives, the CERA Star Mason Programme has gained steady traction, with over 11,000+ masons onboarded and a 74% redemption rate.

These programmes continue to strengthen stakeholder engagement, drive loyalty, and contribute meaningfully to the Company's overall growth strategy.

Tiles

The Company has significantly expanded its CERA Tiles portfolio, which now comprises over 1,800+ designs, spanning a wide range of categories and sizes from 300 x 450 mm to 800 x 3000 mm reflecting the latest trends in surface finishes.

During the year, the Company introduced six new finishes in the 600 x 1200 mm category, which received a strong market response. The 600 x 1200 porcelain tiles launched last year witnessed robust acceptance, while sales of 1200 x 1800 slabs recorded a significant year-on-year growth.

Building on this momentum, the Company plans to introduce innovative surfaces in 600 x 1200 GVT, including the Texture Series, Velvet Series, High Gloss, and DG Matt Finish, further strengthening its design-led offerings.

The Construction Chemicals segment also delivered a strong performance, contributing meaningfully to the Company's overall growth trajectory.

Divestment of Subsidiaries

During the financial year ended 31st March 2026, the Company divested its entire investment in its subsidiary LLPs, namely Packcart Packaging LLP ("Packcart") and Race Polymer Arts LLP ("Race"), by transferring its 51% partnership interest on 29th September 2025. Consequent to the aforesaid divestment, both Packcart and Race ceased to be subsidiaries of the Company with effect from the said date and accordingly, the Company does not hold any investment in these entities as at the reporting date. The aggregate consideration received on divestment amounted to Rs. 1,874.62 Lakhs. The excess of consideration over the carrying value of the Company's capital contribution (including current capital balance and fixed capital balance) as on the date of divestment, amounting to Rs.553.50 Lakhs, has been recognised as profit on divestment and disclosed under Other Income in the Statement of Profit and Loss for the year ended 31st March 2026. Post divestment of its investment in the two LLPs, there were no other subsidiaries or Associates of the Company. Hence the Company is not required to prepare its consolidated financial results for the year ended 31st March 2026 and thereafter in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements and SEBI (LODR) Regulations 2015 (as amended).

As on the close of the financial year, the Company does not have any subsidiary or material subsidiary. However, the Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link <https://www.cera-india.com/corporate/policy-for-determining-materialsubsidiary>

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

Conservation of energy

The Company has two sources of its main energy, viz. Natural Gas- GAIL and Sabarmati Gas Ltd., for operating its Sanitaryware facility. For energy conservation, the company has installed fuel efficient burners to control gas consumption and in addition to this, every effort is made by the company to adapt any technological developments in energy conservation. During the period, gas availability has been constrained and prices rose sharply, creating a challenging operating environment for the company. These conditions could have significantly impacted production efficiency and cost structures. However, owing to the company's strategic arrangement with GAIL, it was able to manage supply disruptions effectively by optimizing its production planning and aligning output with available resources.

Energy Conservation Project in the Existing System

Significant initiatives were undertaken to improve energy efficiency across operations. A major focus area was the effective utilization of kiln waste heat for drying greenware and moulds, resulting in substantial energy savings. Additionally, the standardization of gas pipelines and pressure regulators enabled efficient operations at lower gas pressure levels.

Overall plant efficiency witnessed notable improvement, leading to a reduction in energy consumption. Further savings were realized by implementing area-wise weekly offs in place of staggered schedules, thereby optimizing energy usage during casting and drying processes. Moreover, the introduction of a closed heating system for casting significantly reduced both drying time and overall energy consumption.

The second energy, viz. electricity, required for running the machineries, is supplied by the local Discom. To compensate the energy consumption by way of electricity, your Company has an installed capacity of Wind Turbines of 8.325 MW and Solar Plants of 2.00 MW which generates about most of the Company's electricity requirement, and this gets offset against monthly consumption of the energy bill.

- ❖ Timer controlled electrical equipment operations like HF Plant, Water coolers, ACs, Street light etc.
- ❖ LED and Optimization sensor light across the plant (SW&FW).
- ❖ Improvement in power factor (Installation of Automatic power factor Bank).
- ❖ Installation of energy efficient imported electric furnace in FW division
- ❖ Periodic audit of air and energy consumption. Basis the outcome of audit both plant took corrective actions in PW divisions

- ❖ Slip ring induction motors replaced with High efficiency motors (IE-3)
- ❖ Energy efficient ceiling fan replaced 100% across SW and FW plant.
- ❖ Installation of energy efficient air compressor machines.
- ❖ Installation of new LED lights and replacement of All CFL lights.

Technology absorption and foreign exchange earnings and outgo

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

Environmental Social Governance (ESG)

Cera adopted a holistic approach to Environmental, Social, and Governance (ESG) matters, placing great importance on the trust placed in it by stakeholders including customers, the communities it serves, and society at large and remains dedicated to safeguarding and advancing their interests.

Environment at Cera

Cera is highly committed to ensuring zero environmental impact due to its operations. The Company stringently adheres to norms governing reduction of emissions, pollution control and other environmental aspects. Some of the broad initiatives undertaken by the Company include:

- ❖ Installation of a rooftop solar power system (one of the largest in the Kadi region), which has gone a long way in substantially reducing the carbon footprint.
- ❖ Reduction in fresh water intake from 2.5 liter per Pc to less than one litre in the FW division.
- ❖ Substantial reduction in the use of Chemical in the treatment of wastewater at FW division
- ❖ Improved plant efficiency impacted lower waste generation in SW division
- ❖ Safety culture through, Incident investigations, Safety training, near miss reporting and hazard identification.
- ❖ Cera has managed to stabilize power cost by generating electricity through non-conventional sources (wind and solar) for captive use. As of FY26, its total installed non-conventional energy capacity stood at 10.325 MW, which produced 117.91 lakh units. Maximum of its energy needs are met through renewable energy.
- ❖ Under the 'Waste Minimization and Waste Utilization' initiative, the Company has undertaken a range of measures to promote sustainable operations. These include recycling of solid and liquid waste,

implementation of Zero Liquid Discharge (ZLD) systems, deployment of high energy-efficient rated machinery, strict adherence to pollution control norms, and continuous awareness programs for employees.

- ❖ A significant portion of the waste generated from operations is effectively recycled, while the remaining waste is disposed of in a safe and environmentally responsible manner. In addition, the Company has installed Effluent Treatment Plants at both of its facilities to ensure proper treatment and management of wastewater.
- ❖ By successfully implementing a fully functional rainwater harvesting system, Cera has significantly reduced its dependence on groundwater resources. Additionally, by recycling water used in the manufacturing process, the Company has lowered the overall water intensity of its operations.
- ❖ Furthermore, Cera Faucetware has upgraded its Zero Liquid Discharge (ZLD) plant to comply with stricter government regulations and higher environmental standards.

Corporate Social Responsibility and Social dimension at Cera

Cera continues to strengthen its Corporate Social Responsibility (CSR) initiatives with a steadfast commitment to sustainable and inclusive development. CERA actively undertakes a wide range of social initiatives in and around Kadi (Gujarat), Kolkata (West Bengal), and nearby regions, reaffirming its dedication towards community welfare.

The Company consistently emphasizes growth with social responsibility and strongly believes in the holistic empowerment of not only its employees but also the communities it serves. CERA believes that true progress is achieved when privileges are balanced with responsibilities towards society. In this direction, Late Shri Vidush Somany, Executive Director of the Company, laid a visionary foundation for community development through a comprehensive and forward-looking approach. The Board of Directors has approved the CSR Policy, which is available on the Company's website:

<https://www.cera-india.com/policy-and-statutory-documents/corporate-social-responsibility-policy>

During the financial year 2025-26, CERA spent Rs. 517.39 Lakhs on various CSR initiatives in the areas of Healthcare & Poverty, Promoting Education, National Heritage, Promoting Sports, Rural Development, Women Empowerment, Environment Awareness.

Healthcare & Poverty:

Microelectrode Recording (MER) Machine provided to Institute of Neurosciences, Kolkata. The MER system is a critical technology used in advanced neurosurgical

procedures, especially in Deep Brain Stimulation (DBS) for movement disorders such as Parkinson's disease.

Eidon Fundus Camera & Zeiss Visulas Green Laser System provided to Susrut Eye Foundation & Research Centre. The Eidon Fundus Camera enabled high-resolution imaging for accurate diagnosis and documentation, and the Zeiss Visulas Green Laser played a critical role in timely and effective treatment. The primary objective of this initiative is early detection, monitoring, and effective treatment of diabetic retinopathy, thereby preventing avoidable vision loss among patients.

In addition, in line with the Government of India's guidelines, mid-day meals have been provided to underprivileged students studying in schools under the Kolkata Municipal Corporation through Annamrita Foundation. This initiative has improved nutritional levels among children, while also enhancing school attendance and academic performance.

At Bhagyoday Hospital, advanced laboratory and diagnostic equipment, including biochemistry, hematology, and hormone analyzers, along with coagulation and electrolyte testing systems, have been provided. These facilities have enabled accurate and timely diagnostics at a single location, ensuring prompt treatment, reducing dependency on external laboratories, lowering treatment costs, and strengthening access to quality healthcare for rural and economically weaker communities.

Ayurvedic treatment facilities such as Shirodhara & Therapy equipment, steam and have been provided at the Government Ayurvedic Hospital, enhancing the delivery of traditional healthcare services.

Aligned with the Government of India's vision to eliminate Tuberculosis (TB), CERA has extended its support nutritional assistance to TB patients. This initiative has strengthened patients' immunity, improved treatment adherence, and accelerated recovery.

Supporting the objectives of Rashtriya Bal Swasthya Karyakram (RBSK), CERA has provided refrigeration units to children suffering from Type-1 Diabetes for the safe storage of insulin. This has ensured maintenance of insulin at the required temperature, improving treatment adherence and continuity of care, and contributing to better health outcomes among children.

Education:

CERA has undertaken focused initiatives to strengthen educational infrastructure in rural areas as Budasan, Karan Nagar, Bhojani, and Digadi. The development of smart classrooms by providing LED TVs projectors. Science Laboratory equipment, water coolers with RO, Sports equipment and sanitation facilities, has created a more conducive and student-friendly learning environment.

Skill Development:

Computer and tuition classes have been organized for children from economically weaker sections. As a result of

this initiative, beneficiaries are progressing towards self-reliance with increased confidence. Today, based on their computer training, they are able to stand on their own feet, support their families, and contribute positively to society.

National Heritage:

CERA supported heritage development initiatives at Vadnagar, a town of significant historical importance, thereby contributing to the preservation, promotion, and enrichment of India's rich cultural and archaeological heritage. This initiative has not only helped in safeguarding heritage assets but has also enhanced local cultural pride and created new opportunities for holistic community development.

Women Empowerment:

To promote self-reliance among women, CERA implemented beauty parlour and stitching training programs. These initiatives enabled women to acquire income-generating skills, and many women are now financially independent and actively supporting their families.

These efforts have significantly improved confidence, dignity, and social participation among women.

Promoting Sports:

High-mast lighting at a cricket ground in Mehsana has enabled safe night tournaments, encouraging youth participation and promoting health and community engagement.

CERA's consistent efforts in community upliftment, health, education, environmental sustainability, and administrative support have once again earned appreciation from government officials and local administration, reinforcing its role as a responsible and people-centric organization.

Annual Report on Corporate Social Responsibility (CSR) Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate Annexure- III.

Governance at Cera

The Company is firmly committed to the principles of transparency, professionalism, and accountability, and has consistently upheld strong corporate governance practices since its inception. It believes that robust governance is directly linked to enhancing stakeholder value and acknowledges the Board's responsibility and the impact of its decisions on customers, dealers, employees, shareholders, and all associated individuals.

Guided by its policies on ethics, anti-bribery, and anti-corruption, the Company fosters a culture of integrity among its employees. It has also established a whistleblower mechanism that enables employees, vendors, and customers to report any suspected or confirmed instances of fraud or misconduct. CERA remains dedicated to achieving its performance objectives with honesty and integrity, making corporate governance a core aspect of its operations. Looking ahead, the Company aims to further strengthening

its focus on environmental, social, and governance (ESG) initiatives to build a sustainable future for all stakeholders.

Particulars of contracts or arrangements with related parties

All transactions entered 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, the details of which are included in the notes forming part of the financial statements.

There were no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. Further no materially significant related Party transactions were made by the Company with Directors, Key Managerial Personnel or other Designated Persons, which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also the Board as applicable for approval. The Company has framed a policy on RPTs for the purpose of identification, approval and monitoring of such transactions. The policy on Related Party Transactions is hosted on the Company's website at <https://www.cera-india.com/policy-and-statutory-documents/related-party-transaction>

Directors

During the year under review, upon the recommendation of Nomination and Remuneration Committee Mr. Ravi Bhamidipaty has been re-appointed as an Independent Director of the Company for second term of 3 (Three) consecutive years upto 3rd August 2028. His re-appointment was also approved by the members of the Company through Postal ballot process on 11th September, 2025.

The Board is comprising of three Executive Directors and four Independent Directors namely, Mr. Surendra Singh Baid, Mr. Ravi Bhamidipaty, Ms. Akriti Jain, and Mr. Anandh Sundar. Independent Directors are not liable to retire by rotation. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities.

Mrs. Deepshikha Khaitan Vice Chairman & Joint Managing Director is due to retire at the ensuing Annual General

Meeting and being eligible, offers herself for reappointment. Brief resume of the Director who is proposed to be reappointed at the ensuing Annual General meeting, as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard is provided in the notice convening this Annual General Meeting of the Company.

There was no change in the Key Managerial Personnel during the year under review.

Number of Meetings of the Board

The Board of Directors, during the financial year 2025-26 duly met 5 times on 9th May 2025, 6th August 2025, 2nd September 2025, 11th November 2025 and 4th February 2026, in respect of these meetings, proper notices were given, and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Audit Committee

The Company has constituted Audit Committee in terms of the requirements of the Act and rules framed thereunder and applicable listing regulations. For details, please refer Corporate Governance Report attached as a separate Annexure-VI.

Directors' Responsibility Statement

In compliance of Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- ❖ that in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ❖ that such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2026 and of the Profit of the Company for the year ended on that date;
- ❖ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ that the annual accounts have been prepared on a going concern basis;
- ❖ that internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- ❖ that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Evaluation

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

Separate meeting of the Independent Directors was held on 28th March 2026. The Chairperson of meeting of Independent Directors briefed the Board that the Independent Directors have carried out the performance evaluation of the Board as a whole, the Non-Independent Directors, Chairman and flow of information between the management and the Board. Pursuant to above, the Board expressed the satisfaction on the functioning of the Committees and performance of Individual Directors.

Remuneration Policy

This Nomination and Remuneration Policy ("Policy") provides the framework and key guiding principles to be followed in for appointment and determination of remuneration of Directors, Key Managerial Personnel and Senior management personnel.

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The said Policy is available on the website of the Company <http://www.cera-india.com/sites/default/files/2022-05/Nomination-and-Remuneration-policy.pdf>

Policy on Directors appointment and remuneration

Criteria determining the qualifications, positive attributes and independence of Directors.

Independent Directors

- ❖ **Qualifications of Independent Director.**
An Independent Director should have relevant skills, qualifications, experience, and expertise in one or more areas such as finance, law, management, marketing, administration, corporate governance, operations, or other fields connected to the Company's business.
- ❖ **Positive attributes of Independent Directors.**
An Independent Director should be a person of integrity, possessing the necessary knowledge, qualifications,

experience, and expertise in relevant areas of business, along with an appropriate level of independence from the Board and the Company. Independent Directors are appointed based on the Company's requirements, as well as their qualifications, experience and expertise. They are also expected to dedicate sufficient time to their professional responsibilities to enable informed and balanced decision-making, and to support the Company in adopting and maintaining best practices in corporate governance.

❖ Independence of Independent Directors.

An Independent director should meet the requirements of Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and give declaration to the Board of Directors for the same every year.

Other Directors and Senior Management

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

The Company shall not appoint or continue the employment of any person as Whole-time Director or Senior Management Personnel if the evaluation of his / her performance is not satisfactory. Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director(s) and Non-Executive Directors) are attached as a separate Annexure- VI to this Report.

Familiarisation Programme for Independent Directors

The Independent Directors have been updated with their roles, rights and responsibilities in the Company with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals, to familiarise the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and issues faced by the ceramic industry. The Independent Directors also meet with senior management team of the Company in formal/informal gatherings. The details of Familiarisation programmes provided to the Independent Directors of the Company are available on the Company's website <https://www.cera-india.com/policy-and-statutory-documents/familiarization-programme>

Remuneration / Commission from Holding or Subsidiary Company

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

Managerial Remuneration and Employees

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

Details of employees required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as a separate Annexure, however it is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013 and rules made there under. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Employee Stock Option Scheme (“ESOS”)

The Company has introduced and implemented ‘Cera Sanitaryware – Employee Stock Option Scheme 2024’ (“ESOS 2024” or “Scheme”) by the primary issuance/secondary acquisition of the shares through trust route or both in one or more tranches by Cera Sanitaryware Employees Welfare Trust. The ‘CERA Sanitaryware Employees Welfare Trust’ (Trust) was set-up and bring into existence in due compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) and provisions of the Applicable Laws including the Indian Trusts Act, 1882, with a view to administer Scheme through the Trust. This trust is managed by Qapita Equitytech Ltd (Formerly known as KP Corporate Solutions Ltd.) as an Independent Trustee.

The Nomination and Remuneration Committee of the Company have granted 14950 Options to 24 eligible employees of the Company on 5th June, 2024 in accordance with Scheme. Out of above, 1496 Employee stock options have completed time-based vesting period of 1 (one) year as per Vesting schedule of the Scheme on 5th June, 2025.

During the year, out of 1496 vested Options, 1406 options were exercised by the eligible Employees under ‘Cera Sanitaryware – Employee Stock Option Scheme 2024’.

Disclosure required under regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Companies Act 2013, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in Annexure V to this report. The details are also available on the website of the Company at the weblink: <https://www.cera-india.com/esos-disclosures>

Necessary certificate as required to be given by secretarial auditors of the company that the scheme has been implemented in accordance with regulations of SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 and in accordance with the resolution will be made available to shareholders at ensuing general meeting at link <https://www.cera-india.com/esos-disclosures>

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

Corporate Governance and Management Discussion and Analysis

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance and Management discussion and Analysis have been included in this Annual Report per separate Annexure-VI and Annexure-I respectively.

Business Responsibility and Sustainability Report (“BRSR”)

As required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Business Responsibility and Sustainability Report forms part of the Directors’ Report and is enclosed as separate Annexure-VII.

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Copy of Annual Return of the Company for the financial year ended 31st March, 2026 will be placed on the Company’s website at www.cera-india.com

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

No loan, guarantee or security has been provided by the Company during the year under review. Details of Investments covered u/s 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Risk Management Policy

The Board has approved and implemented Risk Management Policy of the Company including identification and element of risks. Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements 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 Company has in place the Risk Management Policy to ensure effective responses to strategic, operational, financial and compliance risks faced by the Organisation. The risk management system is designed to safeguard the organisation from various risks through adequate and timely action. It is designed to anticipate, evaluate and mitigate risks in order to minimise its impact on the business.

The Risk Management system is also overseen by the Board of Directors/Audit Committee/ Risk management Committee of the Company on a continuous basis. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

Internal Control System and its adequacy

The Company has internal control system commensurate with the nature of its business and size and complexity of its

operations and are adequate and operating effectively with no material weakness. This also identifies opportunities for any improvement and ensures that good practices are imbibed in the processes that develop and strengthen the internal financial control system and enhances the reliability of the Company's financial statements.

The scope and functions of Internal Auditor are defined and reviewed by the Audit committee on quarterly basis. The Internal Auditor assesses opportunities for improvement of business processes, systems and controls, to provide recommendations, which can add value to the organization.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that during the financial year ended 31st March, 2026 had sound Internal Financial Controls.

Share Capital

The paid up Equity Share Capital as on 31st March, 2026 was Rs. 644.88 Lakhs divided into 1,28,97,541 Equity Shares of Rs. 5/- each fully paid. There has been no increase/decrease in the Authorised and Paid-up Share Capital of your Company during the year under review. No shares with differential voting rights were issued by the Company during the year under review.

During the year the Company has transferred 4045 Equity Shares to Investor Education and Protection Fund, pursuant to the provisions of sections 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

Deposits

The Company has not accepted any deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Finance

During the year under review, the Company does not have any long term loans/debts from Financial Institutions and Banks. The Company is availing Working Capital facility from State Bank of India.

During the year there is no default in payment of loan facility availed from Bank or Financial Institution, therefore details of difference between amount of valuation done at the time of one time settlement and valuation done while taking loan from bank or financial institutions is not applicable.

Statutory Auditors and their Observations

Singhi & Co., Chartered Accountants are the statutory auditors of the Company. They are appointed for a period of five years, from the conclusion of 24th AGM till the conclusion of the 29th AGM (AGM of financial year 2026-27). The Auditors'

Report to the members for the financial year under review does not contain any qualification, reservation or adverse remark or disclaimer. The Audit Committee annually reviews and monitors the performance, independence of the Statutory Auditors and effectiveness of the audit process.

Cost Records and Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company duly maintain the cost accounts and records. K.G. Goyal & Co., as Cost Auditors has carried out the cost audit for applicable businesses during the year under review. The Company has appointed K.G. Goyal & Co., as Cost Auditors for conducting cost audit for the year 2026-27. As required by the Companies Act, 2013, a resolution seeking ratification of the remuneration payable to M/s. K.G. Goyal & Co., as approved by the Audit Committee and Board is included in the Notice convening the Annual General Meeting of the Company.

Secretarial Audit

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under and as per Regulation 24A of SEBI Listing Regulations, the Company has appointed Parikh Dave & Associates, Practicing Company Secretaries, a peer reviewed firm as a Secretarial Auditors of the Company for period of five financial years from FY 2025-26 to FY2029-30. Accordingly, the Secretarial Audit Report for the year 2025-26 issued by Parikh Dave & Associates, is attached as a separate Annexure VIII. The Report do not contain any qualification, reservation or adverse remark.

Reporting of Frauds

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of fraud committed in the Company by its Officers or Employees to the Audit Committee and / or Board under section 143(12) of the Act.

Secretarial Standards

The Company is complying with the applicable Secretarial Standards.

Insurance

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

Human Resource

CERA's Human Resource philosophy is built on the foundation of "People First, Performance Always." The Company believes that sustainable business growth can only be achieved through a culture of trust, fairness, capability building, ethical governance, and deep employee wellbeing.

The organisation continues to strengthen its HR systems in alignment with the true spirit of the latest Labour and Wage Code reforms by ensuring progressive, transparent

wage structures that optimize long-term social security coverage, absolute statutory compliance, workplace safety, and equitable employment practices across all levels of our workforce. CERA actively promotes a high-performance, values-driven, and inclusive work culture anchored entirely upon our reframed core values: Customer Centricity, Ethics, Respect, Trust & Collaboration, and Accountability (CERA).

The Company's Human resource goal is to build a future-ready, agile, and values-driven workforce capable of supporting CERA's long-term business vision of leading sustainable bathroom solutions, premium brand positioning, manufacturing excellence, and mass-to-luxury market growth.

❖ **Statutory Compliance**

Cera adherence to all applicable statutory requirements, including Contract Labour Act, Factories Act, Employees' State Insurance Act (ESIC), Provident Fund Act, Labour Welfare Fund (LWF), Other applicable labour laws. This proactive compliance approach enables, Smooth statutory inspections and audits, positive observations with minimal remarks.

❖ **POSH Compliance, Training & Awareness**

The Company has in place a Policy against Sexual Harassment at Workplace in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is also placed on the website of the Company. An Internal Complaints Committee (ICC) has been duly constituted as per statutory requirements, with external and internal members, to address complaints, if any.

- POSH awareness and sensitization programs were conducted for employees across categories.
- POSH-related training covers, CERA On roll Staff, Apprentice employees,
- POSH training was conducted as part of broader initiatives to promote a safe, respectful and inclusive workplace environment.

▪ **Complaints Status:**

Number of complaints received during the year: Nil
Number of complaints disposed of: Nil

Number of complaints pending as on 31st March 2026: Nil

The Company remains committed to zero tolerance towards sexual harassment and ensures confidentiality, fairness and timely redressal in line with statutory provisions.

The Company is in compliance with the provisions relating to the Maternity Benefit Act 1961.

Skill Development and Training

The Company places strong emphasis on continuous learning, capability building and compliance driven training across all categories of workforce including apprentices, on roll staff, on roll workers, contract workers and associates.

During the year under review, the Company conducted structured training programmes covering areas such as Core Values, Health & Safety, Skill Upgradation, Data Security, POSH, Leadership, Communication, Mental Health and Water Conservation.

Key Focus Areas

❖ **Health & Safety Training**

Continued emphasis on workplace safety resulted in the highest training coverage across on roll workers, contract workers and associate workforce, reinforcing the Company's commitment to safe operations.

❖ **Skill Upgradation**

Focused programs were conducted to enhance functional and technical capabilities, supporting productivity, quality and operational excellence.

❖ **Leadership & Behavioural Training Including reflection of Organisational Values**

Leadership, communication and mental health programs were conducted to strengthen people leadership, team effectiveness and employee well being.

❖ **Digital & Data Security Training**

Data security and awareness sessions were organized to strengthen information security practices across employee categories.

❖ **Environmental Awareness**

Select training programs on Water Conservation were conducted in line with the Company's sustainability objectives.

The Company continues to promote "One Culture – One Communication" across the organization through targeted training interventions, ensuring alignment of values, behaviour and performance expectations.

Material changes affecting financial position of the Company

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31st March, 2026 and the date of the Board's Report.

There is no application pending under the Insolvency and Bankruptcy Code 2016 against the Company.

Change in nature of business

No changes have been made in nature of business carried out by the Company during the financial year 2025-26.

Orders passed by Regulatory Bodies or Courts

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

Vigil Mechanism

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

Appreciation

Your Directors express their gratitude for the continued cooperation and support extended by CERA Group, the Shareholders, Customers, Suppliers, Dealers, Retailers, Bankers and all Stakeholders. Your Directors also place on record their appreciation for the employees for their dedication, hard work and efforts.

For and on behalf of the Board of Directors,
For Cera Sanitaryware Limited

Ahmedabad
8th May, 2026

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

ANNEXURE - I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global economic growth remained modest in 2025, rising slightly to 3.4% from 3.3% in 2024, despite disruptions caused by the April 2025 US tariff shock, which increased trade uncertainty even after partial reversals. Advanced economies saw marginal improvement to 1.9%, while emerging markets remained resilient at 4.4%, and global inflation declined sharply to 4.1%. Among major economies, the US slowed to 2.1%, China remained steady at 5.0%, and Europe and Japan showed mild recovery. Looking ahead, global growth is projected at 3.1% in 2026 and 3.2% in 2027, with inflation expected to rise temporarily before easing.

In contrast, India stood out as the fastest-growing major economy, with FY26 GDP growth estimated at 7.7% in FY26, driven by strong consumption and investment. Inflation remained exceptionally low at 2.1%, enabling rate cuts, although the rupee depreciated amid global volatility. Despite record foreign outflows, strong domestic inflows supported markets, while gold prices surged as a safe haven. The banking sector strengthened with lower NPAs and improved profitability. Growth was led by a robust services sector and a strong rebound in manufacturing, with both consumption and investment maintaining healthy momentum. Supported by policy measures, tax relief, and stable macroeconomic conditions, India is expected to sustain strong growth at around 6.6% in FY27, underpinned by resilient domestic demand and structural advantages, even as global risks persist.

(Source: MoSPI, Business Standard, Press Information Bureau, Business Standard, Deccan Chronicle, NDTV Profit, Outlook Business, The Asian Banker, OECD Interim Economic Outlook, IMF, World Economic Forum, Federal Reserve, Bank of England, European Central Bank, Bank of Japan)

INDIAN SANITARYWARE INDUSTRY

India's sanitaryware industry is undergoing a structural shift, led by rising incomes and evolving lifestyle aspirations. Demand is increasingly moving toward design-led, water-efficient, and space-optimized solutions, supported by greater hygiene awareness and a growing preference for enhanced bathroom experiences such as larger shower formats. The market remains bifurcated, with organized players accounting for nearly 60% of the industry and driving growth in the mass-premium and premium segments, while unorganized players continue to serve value-driven demand. Backed by cost-efficient manufacturing and strong raw material availability, India is also strengthening its position as a competitive global production hub.

The market is projected to reach USD 1,336.95 million by 2030, supported by urbanisation, steady construction activity, and government-led sanitation initiatives. Growth is increasingly concentrated in the mass-premium segment,

where affordability intersects with aspiration, driving adoption across both residential and commercial spaces and accelerating the shift toward efficient, aesthetically refined solutions.

India's urban transformation remains a key structural tailwind. The urban population is expected to nearly double from 48 crore in 2020 to 95 crore by 2050, with cities already contributing close to 60% of GDP. This expansion is driving sustained demand for modern housing and commercial infrastructure, reinforcing the need for sanitaryware that aligns with contemporary urban living.

Further, India's real estate sector projected to grow from USD 532.6 billion in 2025 to USD 1.26 trillion by 2034 (CAGR 10%) continues to amplify this demand. Supported by infrastructure development, policy initiatives, and rising middle-class aspirations, real estate growth is directly translating into higher uptake of modern, eco-friendly, and design-oriented sanitaryware, positioning the industry at the intersection of functionality, affordability, and aspirational living.

(Source: Economic times, IMARC Group, openpr.com)

GOVERNMENT POLICY INITIATIVES

Capital Expenditure: The Union Budget FY27 increased capital expenditure to ₹12.2 lakh crore (from ₹11.2 lakh crore), reinforcing infrastructure-led growth. Rapid expansion across airports, hospitals, hotels, and institutions is driving demand for specialized sanitaryware, linking public investment directly to sector growth.

Swachh Bharat Mission: With an allocation of ₹7,192 crore, the focus has shifted from toilet construction to sustaining open defecation free status, improving service quality, and strengthening waste management systems, ensuring long-term sanitation outcomes.

AMRUT 2.0: Focused on water security and urban sanitation, the programme targets universal sewerage and septage management across cities. 583 projects worth ₹66,117 crore have been approved, boosting urban infrastructure demand.

Pradhan Mantri Awas Yojana (PMAY): Continued emphasis on affordable housing, with ₹78,126 crore allocated in FY26 and over 122 lakh houses sanctioned, driving sustained demand for sanitaryware in residential construction.

UDAN Scheme: With ₹550 crore allocation, the scheme supports regional connectivity and infrastructure development. Expansion of airports in underserved areas is indirectly boosting demand for sanitaryware across new and upgraded facilities.

(Source: Money control, Economic times, PIB- Press Release, CNBC, Times of India)

GROWTH DRIVERS OF THE INDIAN SANITARYWARE MARKET

Rising disposable incomes: India's per capita disposable income increased from US\$2.11 thousand in 2019 to US\$2.54 thousand in 2023, and is expected to reach US\$4.34 thousand by 2029. As incomes rise, consumers are placing greater emphasis on design, aesthetics, and functionality when choosing bathroom fixtures. This shift is fueling demand for modern, designer ceramic sanitaryware, including water-efficient toilets, stylish washbasins, and innovative shower panels.

High population growth: As of March 2026, India's population was estimated at 1.47 billion. With global population levels continuing to rise, the demand for housing, schools, hospitals, and other public facilities has expanded sharply—driving parallel growth in the sanitaryware sector, including toilets, sinks, and bathtubs. This trend is particularly pronounced in urban areas, which now accommodate 37.61% of the population. The steady influx of people into cities has intensified the need to modernize and upgrade existing infrastructure. In turn, demand for innovative, high-quality sanitaryware products is accelerating, as urban development seeks to match the pace of rapid population growth.

Growing demand for mass-premium products: The mass-premium segment is emerging as the key growth driver, bridging affordability and aspiration. Rising middle-class incomes and a shift toward branded, design-led products are accelerating upgrades from unorganized to value-enhanced solutions across urban and tier II/III markets. For developers and commercial projects, this segment offers the right mix of cost efficiency, durability, and aesthetics, making it the preferred choice. As a result, it is growing faster than the overall market and reshaping competition, driving innovation in design, functionality, and pricing.

Advancing technology landscape: Rapid advances in technology are reshaping the sanitaryware industry. Smart solutions — ranging from touch-free faucets to self-cleaning toilets — are redefining convenience and hygiene standards. These innovations not only elevate product performance and efficiency but also introduce a sleek, contemporary aesthetic that resonates with modern consumers. As digital integration deepens, the industry is moving toward more intelligent, sustainable, and design-forward sanitaryware. This evolution is fueling market expansion, as customers increasingly seek products that combine functionality, style, and eco-consciousness.

Eco-conscious choices: Heightened environmental awareness is reshaping consumer preferences, with growing demand for eco-friendly and sustainable sanitaryware. Buyers are increasingly choosing products crafted from sustainable materials and designed to minimize water usage. This shift in mindset has spurred the industry to innovate, leading to the introduction of environmentally conscious, resource-efficient sanitaryware solutions. As sustainability becomes a defining factor in purchase decisions, the market

is witnessing strong momentum toward greener, smarter product lines.

Construction fuels demand: The expansion of India's construction industry is set to accelerate growth in the sanitaryware market. The Indian construction market is projected at USD 0.74 trillion in 2025, rising to USD 0.79 trillion in 2026, and reaching USD 1.10 trillion by 2031, reflecting a CAGR of 6.87% between 2026 and 2031. Construction encompasses residential, commercial, and infrastructure projects—activities such as building, repairing, renovating, and maintaining. As construction activity intensifies, the requirement for bathrooms and sanitation systems grows in parallel. Large-scale housing and commercial developments demand sanitaryware in significant volumes, directly propelling market expansion.

Growth of the hospitality and healthcare sectors: India's hospitality and healthcare sectors are key drivers of sanitaryware demand. The hospitality market is projected to grow from USD 24.36 billion in 2025 to USD 55.67 billion by 2031 at a CAGR of 14.76%, with hotels and resorts investing in premium sanitary solutions to enhance guest experience. Tourism, expected to reach USD 512 billion by 2028, is further fueling demand for luxury and smart products. Meanwhile, the healthcare sector continues to expand, requiring hygienic and durable sanitaryware across hospitals, clinics, and medical facilities. In FY26, transactions worth over Rs.10,000 crore were announced in hospitals, diagnostics, and specialty care, underscoring strong momentum and its direct impact on sanitaryware consumption.

Growing demand for wellness: The Indian spa market, valued at USD 2.22 billion in 2025, is projected to reach USD 4.93 billion by 2034, growing at a CAGR of 9.28% (2026–2034). As wellness becomes central to home design, consumers are increasingly transforming bathrooms into personal spa retreats. This trend is driving demand for high-end sanitaryware — designer bathtubs, wellness-focused shower systems, and hydrotherapy solutions — that deliver luxury, relaxation, and modern aesthetics. The shift toward wellness-oriented living is positioning sanitaryware as an essential element of lifestyle-driven home upgrades.

(Source: Mordor Intelligence, Research and Market, Worldometer, EY, IBEF, IMARC Group)

COMPANY OVERVIEW

Cera Sanitaryware marks 46 years of operations as India's fastest-growing home solutions provider, headquartered in Kadi, Mehsana district. The company envisions becoming the nation's leading bathroom solutions brand—anchored in sustainability, stakeholder value, and superior customer experience. Its mission is to deliver innovative, high-quality products that blend sustainability with cutting-edge technology and emerging trends, while strengthening customer-centricity, elevating brand equity, and driving growth across both mass and luxury segments.

RISKS AND CONCERNS

Economic risk: A slowdown in economic growth could reduce cash flows and profitability.

Mitigation: India is projected to remain the world's fastest-growing economy, with GDP growth of 6.8–7.2% in FY27.

(Source: Economic times)

Regulatory risk: Stricter environmental regulations may demand heavy investments in new technologies or restrict operational capacity.

Mitigation: The Company's robust compliance framework, proactive investments, and employee training have lowered its carbon footprint and strengthened its standing as a responsible corporate citizen.

Competition risk: Intensifying market competition could erode market position.

Mitigation: Strategic investments in brand building, marketing, distribution, and digital transformation have sharpened responsiveness and reinforced competitive advantage.

Fraud risk: Weak internal controls could expose the Company to fraud.

Mitigation: A stringent control system—including centralized payments, dual authorization, and enhanced financial oversight—safeguards against fraud and malpractice.

Inflation risk: Rising inflation, if not fully passed on to consumers, could compress margins.

Mitigation: The Company continues to leverage economies of scale, cost discipline, and logistics efficiencies to protect profitability and sustain competitiveness.

Gas price risk: Sustained increases in gas prices could weigh on profitability.

Mitigation: By maintaining a weighted average gas cost below the industry benchmark, the Company has effectively cushioned the impact of price volatility.

OUTLOOK

This year's performance was characterized by a notable acceleration in growth, particularly from the third quarter of FY2026 onward, reflecting the effectiveness of the company's strategic initiatives and operational improvements. The upward momentum during this period highlights stronger market demand, improved execution, and a more resilient business model. Despite facing challenges arising from recent geopolitical uncertainties, the company demonstrated its ability to adapt and sustain performance.

During this period, gas availability was constrained and prices rose sharply, creating a challenging operating environment for the company. These conditions could have significantly impacted production efficiency and cost structures. However, owing to the company's strategic arrangement with GAIL, it was able to manage supply disruptions effectively by optimizing its production planning and aligning output with available resources.

In addition, the company leveraged this situation as an opportunity to rationalize its inventory levels by liquidating existing stock. This not only helped in maintaining operational continuity despite input constraints but also supported better working capital management.

The Company remains confident in its strong fundamentals and maintains optimism in its overall growth outlook. We remain dedicated to optimizing our operations and fostering growth in the face of varying market conditions.

Key financial ratios: (in times/%)

Particulars	FY25-26	FY24-25
Inventory Turnover ratio (in Times)	5.12	5.01
Interest Coverage Ratio	43.82	44.23
Trade receivables turnover ratio (in times)	8.90	9.58
Current ratio (in times)	4.26	3.80
Debt - Equity ratio*	0.03	0.05
Operating Profit Margin (in %)	13.82	16.43
Net Profit ratio (in %)	9.96	12.87
Return on equity ratio (in %)	14.47	18.31

* The decrease in the debt-equity ratio during FY25-26 is primarily attributable to a reduction in overall borrowings compared to the previous year.

FINANCIAL OVERVIEW

During FY 2025-26, the Company delivered steady revenue growth despite a challenging demand environment and continued cost pressures. Revenue from operations increased by 7.0% to Rs. 2,05,012 Lakhs from Rs. 1,91,525 Lakhs in the previous year, reflecting the resilience of the Company's brand portfolio and distribution network.

Operational Performance

Total expenses increased by 9.3% to ₹1,82,606 Lakhs during the year, primarily due to a 14.2% increase in material and procurement costs driven by elevated input prices and higher business volumes. Employee benefit expenses increased by 7.4% from Rs. 24,154 Lakhs to Rs. 25,943 Lakhs and represented 12.7% of revenue. The increase was attributable to annual salary revisions and strategic workforce expansion undertaken to support the launch and growth of the Company's new brands, Senator and Polipluz.

As a result of higher input costs and increased market support initiatives, the Company's EBITDA margin moderated to 15.3% in FY 2025-26 from 17.9% in the previous year. Net profit margin stood at 10.0% compared to 12.9% in FY 2024-25. The decline in margins was primarily due to elevated raw material costs and higher discounts offered during the year in response to subdued market conditions.

Capital Structure and Financial Position

The Company's capital employed increased by 8.3% to Rs. 1,59,217 Lakhs as at 31st March 2026 from Rs. 1,46,987

Lakhs as at 31st March 2025, largely driven by growth in shareholders' funds resulting from retained earnings generated during the year.

Net worth increased by 9.0% to Rs. 1,47,234 Lakhs, reflecting the Company's continued profitability and strong financial position. Return on Capital Employed (ROCE) stood at 17.8% compared to 21.4% in the previous year. The moderation in ROCE was primarily due to higher capital employed and a marginal decline in EBIT.

The Company maintained a conservative capital structure with long-term debt of Rs. 3,679 Lakhs, comprising non-current lease liabilities. The debt-equity ratio improved to 0.03x as at 31st March 2026 from 0.05x in the previous year. Finance costs declined by 9.1% to Rs. 647 Lakhs, reflecting lower interest costs during the year.

Capital Expenditure and Investments

The Company continued to invest in strengthening its manufacturing capabilities and infrastructure. Gross fixed assets increased by 3.7% to Rs.61,618 Lakhs as at 31st March 2026 from Rs.59,423 Lakhs in the previous year. Capital expenditure during the year amounted to Rs.2,195 Lakhs, primarily towards buildings and plant & equipment.

Depreciation on tangible assets remained largely stable at Rs.2,784 Lakhs compared to Rs.2,792 Lakhs in FY 2024-25.

Non-current investments stood at Rs.1,381 Lakhs as at 31st March 2026 compared to Rs. 2,995 Lakhs a year earlier. The reduction was primarily due to the divestment of the Company's interest in two LLP subsidiaries during the year.

Working capital management

The Company continued to maintain a strong liquidity position and prudent working capital discipline. Current assets increased by 10.6% to Rs. 1,55,908 Lakhs as at 31st March 2026, primarily due to higher investments in mutual funds and increased bank balances.

The current ratio improved to 4.3x from 3.8x, while the quick ratio improved to 3.2x from 2.7x, underscoring the Company's strong liquidity profile.

Inventory levels reduced by 2.5% to Rs. 39,577 Lakhs as at 31st March 2026 from Rs. 40,582 Lakhs in the previous year, reflecting emerging green shoots of demand recovery coupled with disciplined inventory management practices. As a result, inventory days improved to 71 days from 73 days in FY 2024-25.

Trade receivables stood at Rs. 27,387 Lakhs as at 31st March 2026 compared to Rs. 26,796 Lakhs in the previous year. Debtor days increased marginally to 41 days from 38 days, while trade payable days stood at 58 days compared to 56 days in FY 2024-25.

Outlook: Despite a year marked by demand challenges and cost pressures, the Company maintained healthy growth, a robust balance sheet and strong liquidity. Continued investments in brands, product innovation, manufacturing capabilities and distribution expansion position the

Company well to capitalize on future growth opportunities while maintaining financial discipline and creating long-term value for stakeholders.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS, ENVIRONMENT, HEALTH AND SAFETY

The Company has prioritized talent development through continuous training initiatives, consistently investing in programs designed to enhance employee skills. As on 31st March 2026, CERA's manpower strength stood at 2520. Further more details are available in the Business Responsibility and Sustainability Report, which forms part of the Directors' Report (Annexure VII).

CERA is certified under ISO 9001, ISO 14001, and BS 18001 standards, underscoring its commitment to quality, environmental responsibility, and occupational health and safety. The Company is also a member of the Indian Green Building Council (IGBC), promoted by the Confederation of Indian Industry (CII).

In addition, CERA actively engages with industry influencers and professional associations, including the Institute of Indian Interior Designers (IIID), and the Indian Plumbing Association (IPA), strengthening its presence and partnerships within the design and construction ecosystem.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

CERA has established a robust internal control framework, aligned with the size, scale, and complexity of its operations. The framework is supported by well-defined policies and procedures, system automations, authorization protocols, access controls, segregation of duties, and physical safeguards to ensure statutory compliance, protect assets from unauthorized use, and strengthen overall corporate governance.

Internal financial controls, as mandated under the Companies Act, 2013, have been formally laid down. Their design and operating effectiveness are regularly reviewed by the in-house Internal Control team and further validated by independent Internal Auditors engaged by the Company. In addition, the Statutory Auditors have independently audited the internal financial controls over financial reporting as of 31st March 2026 and confirmed that such controls were operating effectively.

Oversight is further reinforced by the Audit Committee of the Board of Directors, details of which are provided in the Corporate Governance Report. The Audit Committee reviews audit reports submitted by the Independent Internal Auditors on a quarterly basis, ensuring continuous monitoring and accountability.

Vikram Somany

Ahmedabad
8th May, 2026

Chairman and Managing Director
(DIN:00048827)

ANNEXURE - II TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Report of the Board of Directors for the year ended 31st March, 2026.

A. Energy Conservation

Discussed in main report

B. Technology Absorption

- ❖ **Pressure Casting:** Advance casting technology ensuring high dimensional accuracy and Consistent product quality with reduced variability.
- ❖ **Glazing Robot:** Superior finish and consistent gloss and Uniform glaze thickness, enhance the aesthetic appeal of the final sanitaryware products.
- ❖ **XRF Machine:** Advanced testing for accurate raw material composition, ensures strict quality control at incoming stage, Strengthens overall process reliability and consistency with minimum variation.
- ❖ CNC Router and 3D printing for rapid prototyping, reduced development cycle time and increase efficiency & speed.
- ❖ Color Products with Advance inhouse PVD Facility for Superior finish quality, enhanced durability and premium look, Cost reduction, Shorter new color product development lead time
- ❖ New Advanced Plating for Nickel-Chrome plating for stainless steel, additional Copper plating for superior finish, higher consistency in coatings and improved durability, better adhesion and smoothness, reduces process time, Premium product appeal.

Research and Development (R & D)

1. Specific areas in which R & D is carried out:

The Company's Research & Development Unit, recognized by the Department of Scientific and Industrial Research (DSIR), Government of India since 1989, has continuously focused on enhancing the quality of its sanitary ware products. Its efforts emphasize reducing costs by adopting alternative, cost-effective raw materials, optimizing waste utilization, improving quality standards, minimizing production losses, recycling both unfired and fired waste, and implementing effective pollution control measures. These initiatives have reinforced the company's competitive advantage. In recent years, a number of innovative R&D projects were successfully developed and commercialized.

- ❖ Use of refire pitcher powder in production.
- ❖ Development of new Snow-white glaze with better glaze surface and also cost effective.
- ❖ Development of Alumina Body for thin rim TT Wash Basin.
- ❖ Development of deflocculant to improve the quality of ETP and STP Water.
- ❖ Development of Indian Plaster in the replace Imported plaster, reduction of wastage of plaster of paris during the mould preparation, and increase mould life in casting department.
- ❖ Development of high alumina body, high casting body having high green strength and Single Ball clay body to improve recovery.
- ❖ Development of metallic Glazes and antifobicity in glaze.
- ❖ Development of Indian binder by replacing imported.
- ❖ Development of Single Ball clay in place of multi ball clays for casting slip and this has helped ESG.
- ❖ Strengthening of ZLD through reuse of process water.
- ❖ Development of biscuit fired shrinkage plate tiles. These tiles reduce squat, undulation, foot crack of critical items by loading on it. Especially quality of wall hung products has improved significantly by using this.
- ❖ Faucet Robotic Surface Grinding, helps in uniform coat of chromium plating that will lead to surface endurance also installed Faucet Peeling Machine for impeccable body finish.
- ❖ Our Zamak plating technology in Faucetware has set a new industry bench mark for the durability, aesthetics' and performance.
- ❖ Also, in final product quality, Company has introduced automatic leakage detection test and overflow test. These tests help to improve functional quality of final products.
- ❖ Introduced different colours of silk glazes which enhance uniqueness as well as verity and versatility.
- ❖ Under the initiative of 'Waste Minimization and Waste Utilization', numerous measures have been taken. This includes recycling of solid and liquid, ZLD (zero liquid discharge) plant, high energy efficient rated machines, compliance to pollution norms, awareness-generation among employees etc.

- ❖ In keeping with eco-friendly tradition, the Company has developed 04 Liters flushing system with same effectiveness as 06 Liters flushing system. By 30% reduction in water consumption, this technology will help to save precious water. The company also reduced its water dependence on state supply by recycling full water requirement of manufacturing process. The company developed a fully functional rain-water-harvesting system.
- ❖ Company has received prestigious international NABL certification on its plant quality lab. This will further enhance our capability to check and provide best international quality
- ❖ Product Certifications: All company's products are ITC (Institute for Testing and Certification, Czech Republic) certified. The company have completed IAPMO (USA Certification Agency) for almost half of company's products and are in process to get more products under this certification. The company have also started its product certification from SGS (Emirates Authority for standardization and Metrology).

Company's all products are CE (Conformité Européenne) certified from QVC Certification. Company's Products have GRIHA (Green Rating for Integrated Habitat Assessment) Certification and company is getting more products under this certification. All the Qualified products are Green Pro certified from CII.

2. Benefit derived as a result:

The use of new, more economical raw materials sourced from alternative suppliers, along with the substitution of imported raw materials, pigments, and other production inputs, is expected to significantly reduce overall manufacturing costs. This initiative not only helps in minimizing dependence on imports but also enhances supply chain efficiency and cost stability. By adopting locally available and cost-effective materials without compromising on quality, the company aims to achieve improved production economics and strengthen its competitiveness in the market.

3. Future plan of action:

- ❖ The Company aims to strengthen its capability and expand its capacity to manufacture high-value products with ergonomic and aesthetically appealing designs. These products will be larger in size and offer a premium look and feel. Advanced surface technologies such as stain-resistant, antimicrobial, and self-cleaning coatings will be integrated, along with the introduction of new finishes, including metallic and copper glazes.

- ❖ Aligned with its focus on automation, the Company plans to deploy additional robots across various stages of the manufacturing process. In addition, an automatic gas pressure regulation system is proposed for the firing process to enhance operational efficiency, consistency, and process control.
- ❖ The Company shall keep increasing product portfolio of the colour and keep adding new product as per increasing demand of the customers.
- ❖ As part of its eco-friendly initiatives, the Company aims to enhance the use of renewable energy sources—primarily solar energy, which is already in place. Additionally, plans are underway to redesign the glaze spray system to maximize glaze recovery and recycling.
- ❖ The Company is focused on strengthening its manufacturing capabilities to support the production of more complex product designs. In this direction, it has planned additional conversions from bench casting to battery casting, which provide improved efficiency and higher productivity. Battery casting also offers better ergonomics, thereby contributing to improved worker health and safety. In addition, the Company has incorporated advanced semi-automatic casting methods, including pearl casting, vertical casting, and beam casting, into its production processes.

4. Expenditure on R & D:

a) Capital	: Rs. 1.24 Lakhs
b) Recurring	: Rs. 145.45 Lakhs
Total	: Rs. 146.69 Lakhs
c) Total R & D Expenditure as a percentage of total turnover	: 0.07%

C. Foreign Exchange earnings and outgo

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. Foreign exchange used and earned by the Company during the year is as under:

Total foreign exchange used	: Rs. 4016.43 Lakhs
Total foreign exchange earned	: Rs. 1347.93 Lakhs

Ahmedabad
8th May, 2026

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

ANNEXURE - III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026

1. Brief outline on CSR Policy of the Company.

We believe real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, Late Shri Vidush Somany our Executive Director had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

2. Composition of CSR Committee.

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Mr. Vikram Somany (Chairman)	Chairman & Managing Director	3	3
ii	Smt. Deepshikha Khaitan (Member)	Vice Chairman & Joint Managing Director	3	3
iii	Mr. Anupam Gupta (Member)	Executive Director (Technical)	3	3
iv	Mr. Surendra Singh Baid (Member)	Independent Director	3	2

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: <https://www.cera-india.com/about-us/leadership-team>

CSR Policy: <https://www.cera-india.com/policy-and-statutory-documents/corporate-social-responsibility-policy>

CSR Projects: <https://www.cera-india.com/about-us/corporate-social-responsibility>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

	(Rs in Lakhs)
5. (a) Average net profit of the company as per sub-section (5) of section 135.	25,869.02
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	517.38
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil
(d) Amount required to be set-off for the financial year, if any.	0.77
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	516.61
6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects).	517.39
(b) Amount spent in Administrative Overheads	Nil
(c) Amount spent on Impact Assessment, if Applicable	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	517.39
(e) CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year (Rs. in lakhs)	Amount Unspent (Rs in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
517.39	NIL	NA	NA	NIL	NA

(f) Excess amount for set-off, if any.

Sl. No.	Particular	Amount (Rs.in Lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	517.38
(ii)	Excess amount set off for the financial year	0.77
	CSR obligation for the FY 2025-26 (i-ii) (Net)	516.61
	(As Calculated under point no. 5(e) also)	
(iii)	Total amount spent for the Financial Year	517.39
(iii)	Excess amount spent for the financial year [(iii)-(ii)]	0.78
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.78

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **NIL**

(1) Sr.	(2) Preceding Financial Year(s)	(3) Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	(4) Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	(5) Amount Spent in the Financial Year (in Rs.)	(6) Amount transferred to a Fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any Amount (in Rs.)	(7) Amount remaining to be spent in succeeding financial years. (in Rs.) Date of transfer	(8) Deficiency, if any.
--	--	--	--	--	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created / acquired: **Not Applicable**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
--	--	--	--	--	--	--	--

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

Ahmedabad
8th May, 2026

Anupam Gupta
Executive Director (Technical)
(DIN:09290890)

Vikram Somany
Chairman and Managing Director
Chairman of CSR Committee
(DIN:00048827)

ANNEXURE - IV TO THE DIRECTORS' REPORT

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

Sr. No.	Particulars					
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Wholetime Directors				
		CMD		VC & JMD	ED (Technical)	
		40X		21X	26X	
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.	Wholetime Directors			KMPs	
		CMD	VC & JMD	ED (Technical)	CFO	CS
		10%	13%	13%	13%	15%
iii.	The % increase in the median remuneration of employees in the financial year.	-2.34%				
iv.	The number of permanent employees on the rolls of Company.	2520				
v.	Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average 11.37% increase in the salaries of the employees at all the levels across the organization.				
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the company.				

The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the Board of Directors and Shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

Ahmedabad
8th May, 2026

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

ANNEXURE – V TO THE DIRECTORS’ REPORT

[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) and Section 62(1)(b) of the Companies Act 2013, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014]

All the relevant details of the Company’s Employee Stock Option Scheme are provided below and are also available on website of the Company at: <https://www.cera-india.com/esos-disclosures>

- A. Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government and Section 133 of the Companies Act, 2013 including the ‘Guidance note on accounting for employee share based payments’ issued in that regard from time to time:

The Disclosure on Share based Payment has been given under Note no. 34.2 to the financial statements forming part of these Annual Report.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with ‘Indian Accounting Standard 33 – Earnings Per Share’ issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Diluted Earnings Per Share is Rs. 158.31

- C. Details related to “Cera Sanitaryware – Employee Stock Option Scheme 2024 (ESOS 2024)”

- (i) General terms and conditions of ESOS 2024

Particulars	Details
(a)	Date of shareholders’ approval
(b)	Total number of options approved under ESOS
(c)	Vesting requirements
(d)	Exercise price or pricing formula
(e)	Maximum term of options granted
(f)	Source of shares (primary, secondary or combination)
(g)	Variation in terms of options

- (ii) Method used to account for ESOS: Fair Value

- (iii) Where the company opts for expensing of the options using the intrinsic value of the options, 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 shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.: Not Applicable

(iv) Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	14950
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	NIL
Number of options vested during the year	1496
Number of options exercised during the year	1406
Number of shares arising as a result of exercise of options	1406
Money realized by exercise of options (Rs.), if scheme is implemented directly by the company	NA
Loan repaid by the Trust during the year from exercise price received	Rs. 0.07 Lakh
Number of options outstanding at the end of the year	13544
Number of options exercisable at the end of the year	90

Note: The exercise price per such Option shall be the face value of the Shares of the Company.

- (v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.:

Details are covered under Note no. 34.2 to the financial statements

- (vi) Employee wise details of options granted during the Financial Year.

- Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: No options granted during the year.
- Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: No options granted during the year.
- Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.: Not Applicable

- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Particulars	Details
(a) Weighted-average values of share price, Exercise price, Expected volatility, Expected option life, Expected dividends, Risk-free interest rate The price of the underlying shares in market at the time of Option grant	Details are covered under Note no. 34.2 to the financial statements

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise: Black Scholes Option Pricing model

- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;

The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options.

- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at Grant date, expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

Disclosures in respect of grants made in three years prior to IPO under each ESOS: Not Applicable

D. Details related to Trust:

(i) General information on ESOP 2024 Scheme:

Particulars	Details
1. Name of the Trust	Cera Sanitaryware Employees Welfare Trust
2. Details of the Trustee(s)	
Name	Qapita Equitytech Ltd. (Formerly known as KP Corporate Solutions Ltd.)
Address	IndiQube The Kode, 7 th Floor, S.No' 134, Hissa No. 1/38, Baner Pashan, Link Road, Pune - 471045
Occupation	Service (In the field of ESOP Consulting)
Nationality	Indian
3. Amount of loan disbursed by company, during the year	Rs. 121.00 Lakhs
4. Amount of loan outstanding (repayable to company) as at the end of the year	Rs. 251.18 Lakhs
5. Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	None
6. Any other contribution made to the Trust during the year	None

(ii) Brief details of transactions in shares by the Trust:

Particulars	Details
(a) Number of shares held at the beginning of the year	3739
(b) Number of shares acquired during the year through	
(i) Primary issuance	NA
- Percentage of paid up equity capital as at the end of the previous financial year	NA
- Weighted average cost of acquisition per share;	NA
(ii) Secondary acquisition	2335
- Percentage of paid up equity capital as at the end of the previous financial year	0.02%
- Weighted average cost of acquisition per share;	Rs. 5350
(c) Number of shares transferred to the employees / sold along with the purpose thereof;	Number of shares transferred to the employees during FY 2025-26: 906 Number of shares sold by the Trust during FY 2025-26: 592 [Company has offered cashless mode for exercise of ESOS Options to the eligible employees and Tax Amount was realized by the Trust by sale of shares in open market.]
(d) Number of shares held at the end of the year.	4576

(iii) In case of secondary acquisition of shares by the Trust:

Particulars	Shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	3739	0.03%
Acquired during the year	2335	0.02%
Sold during the year [#]	592	0.00%
Transferred to the employees during the year	906	0.01%
Held at the end of the year	4576	0.04%

[#]Company has offered cashless mode for exercise of ESOS Options to the eligible employees and Tax Amount was realized by the Trust by sale of shares in open market.

It is hereby confirmed that there are no changes in the scheme(s) and the scheme is in compliance with the SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021.

Ahmedabad
8th May, 2026

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

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 is committed to upholding the principles of strong Corporate Governance and acting as a responsible corporate citizen. We are dedicated to conducting our business ethically and in full compliance with all applicable legal requirements. Our aim is to continually improve our Corporate Governance practices to earn and sustain the trust and respect of our stakeholders. We emphasize values such as transparency, professionalism, and accountability at every level of our operations. At CERA, integrity drives us to achieve our performance goals. We have adopted various codes and policies that establish a framework within which our Directors and management can effectively pursue the Company's objectives. Corporate Governance remains central to our business operations, and we continuously ensure compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2) Board of Directors

The composition of the Board complies with the requirements of Regulation 17(1) of the Listing Regulations. It features an optimal mix of Executive, Non-Executive and Independent Directors, ensuring a balanced representation of expertise and experience. The Board includes a Chairman and Managing Director, Vice Chairman and Joint Managing Director, an Executive Director (Technical), and four Independent Directors. The profiles of Directors can be accessed on the Company's website at <https://www.cera-india.com/about-us/leadership-team>

During the year under review, 5 Board Meetings were held on 9th May, 2025, 6th August, 2025, 2nd September, 2025, 11th November, 2025 and 4th February, 2026.

None of the directors on the Board are members of 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, Number of other directorships and Committee Memberships 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	Mr. Vikram Somany	Chairman and Managing Director Promoter Director	5	Yes	2	-	-	-
2	Mrs. Deepshikha Khaitan*	Vice Chairman and Joint Managing Director Promoter Director	5	Yes	2	-	-	-
3	Mr. Anupam Gupta	Executive Director (Technical)	5	Yes	-	-	-	-
4	Mr. Surendra Singh Baid	Non-Executive Independent Director	5	Yes	-	-	-	-
5	Ms. Akriti Jain	Non-Executive Woman Independent Director	5	Yes	1	-	-	-
6	Mr. Ravi Bhamidipaty#	Non-Executive Independent Director	5	Yes	4	-	-	-

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	
7.	Mr. Anandh Sundar	Non-Executive Independent Director	5	Yes	5	1	-	Thyrocare Technologies Limited – Independent Director

* Re-Appointed as Vice Chairman and Joint Managing Director of the Company w.e.f. 1st April, 2025.

Re-Appointed as an Independent Director, for a second term of three consecutive years w.e.f. 4th August, 2025.

@ These numbers exclude the Committee membership held in Cera Sanitaryware Limited, Private Companies, high value debt listed entities, Section - 8 companies and foreign companies.

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.

Mr. Vikram Somany, Chairman & Managing Director is a father of Mrs. Deepshikha Khaitan, Vice Chairman and Joint Managing Director. 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 fields. They actively participate in the Board and Committees which gives significant value addition in the decision-making process. The Independent Directors are familiarized by the management with respect to their roles and responsibilities, industrial scenario, 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 at: <https://www.cera-india.com/policy-and-statutory-documents/familiarization-programme>

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

Skills / Expertise / Competence of the Board:

The Board consists of Directors with diverse experiences across various areas, bringing the necessary skills, competence, and expertise to make meaningful contributions to the Board and its committees. The Board has identified certain skills, expertise, competence as required to be possessed by the Board of Directors to ensure the effective functioning of the business(es) and sectors of the Company. The mapping of these skills, expertise, competence among the Directors is as given here:

Possessing knowledge relating to Ceramic Industry	Mr. Vikram Somany, Mrs. Deepshikha Khaitan, Mr. Anupam Gupta, Mr. Surendra Singh Baid
Commercial	Mr. Vikram Somany, Mrs. Deepshikha Khaitan, Mr. Anupam Gupta, Mr. Ravi Bhamidipaty, Mr. Anandh Sundar
Finance	Mr. Vikram Somany, Mr. Surendra Singh Baid, Mr. Ravi Bhamidipaty, Mr. Anandh Sundar
Sales and marketing	Mr. Vikram Somany, Mrs. Deepshikha Khaitan,
Technology and technical know how	Mr. Vikram Somany, Mrs. Deepshikha Khaitan, Mr. Anupam Gupta, Mr. Surendra Singh Baid
Risk management and mitigation planning	Mr. Vikram Somany, Mrs. Deepshikha Khaitan, Mr. Anupam Gupta, Mr. Ravi Bhamidipaty, Mr. Anandh Sundar
Legal and Corporate Laws	Mr. Vikram Somany, Mrs. Deepshikha Khaitan, Mr. Ravi Bhamidipaty, Mrs. Akriti Jain, Mr. Anandh Sundar

Performance Evaluation:

Under the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has conducted an annual performance review of itself, including individual Directors, as well as an assessment of the functioning of its Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee. The evaluation also covered the Board's overall functioning, such as the adequacy of its composition and that of its Committees, Board culture, execution, performance of specific duties, obligations, and governance.

A separate assessment was performed to evaluate the performance of individual Directors, including the Chairman of the Board. This evaluation was based on parameters such as engagement level, contribution, independence of judgment, and the ability to safeguard the interests of the Company and its shareholders. The performance of the Independent Directors was reviewed by the entire Board, excluding the Director under evaluation. Conversely, the performance of the Chairman and Non-Independent Directors was appraised by the Independent Directors. Additionally, the Board reviewed the performance of the Secretarial Department. The Directors conveyed their satisfaction with the evaluation process.

Independent Directors' Meeting:

During the year under review, a separate meeting of Independent Directors was held on 28th March, 2026 inter alia, to discuss:

- ❖ Review of the performance of Executive Director, Vice Chairman and 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 fulfills 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 advise them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company and cautions them of the 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 four Independent Directors as its members, namely Mr. Surendra Singh Baid (Independent) - Chairman, Ms. Akriti Jain (Independent) - Member, Mr. Ravi Bhamidipaty (Independent) - Member and Mr. Anandh Sundar (Independent) - Member.

During the year under review, four meetings of Audit Committee were held on 9th May, 2025, 6th August, 2025, 11th November, 2025 and 4th February, 2026.

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

Name of Director	No. of Meetings	
	Held	Attended
Mr. Surendra Singh Baid	4	4
Ms. Akriti Jain	4	4
Mr. Ravi Bhamidipaty	4	4
Mr. Anandh Sundar	4	4

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. Mr. Surendra Singh Baid, Chairman of the Audit Committee was present at the last 27th Annual General Meeting held on 17th July, 2025 to answer the shareholders' queries. The Committee has full access to information and records of the Company and can seek information from Senior Management Personnel of the Company and may invite such executives, as it considers appropriate, to be present at the meetings of Committee.

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 finding & 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 rupees 100 Crores 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 three Independent Directors as its members namely, Mr. Surendra Singh Baid (Independent) - Chairman, Ms. Akriti Jain (Independent) - Member and Mr. Anandh Sundar (Independent) - Member.

During the year under review, one meeting of Nomination and Remuneration Committee was held on 8th May, 2025.

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

Name of Director	No. of Meetings	
	Held	Attended
Mr. Surendra Singh Baid	1	-
Ms. Akriti Jain	1	1
Mr. Anandh Sundar	1	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 the appointment of Directors to the Board.

5) Corporate Social Responsibility Committee

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

During the year under review, three meetings of Corporate Social Responsibility Committee were held on 24th April, 2025, 9th September, 2025 and 17th February, 2026.

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

Name of Director	No. of Meetings	
	Held	Attended
Mr. Vikram Somany	3	3
Mrs. Deepshikha Khaitan	3	3
Mr. Anupam Gupta	3	3
Mr. Surendra Singh Baid	3	2

Terms of reference

The Committee formulates and recommends 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 recommends 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 Risk Management Committee also overseeing and guiding the management for risks related to Environmental, Social, and Governance (ESG) aspects. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Risk management Committee's noting and observation was placed before the Board for information and necessary action of the Board/management.

Risk Management Committee comprises of Mr. Vikram Somany - Chairman, Mrs. Deepshikha Khaitan - Member, Mr. Anupam Gupta - Member, Mr. Surendra Singh Baid (Independent) - Member and Mr. Vikas Kothari, Chief Financial Officer - Member.

During the year, Two meetings of Risk Management Committee were held on 29th July, 2025 and 17th February, 2026.

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

Name of Director	No. of Meetings	
	Held	Attended
Mr. Vikram Somany	2	1
Mrs. Deepshikha Khaitan	2	2
Mr. Anupam Gupta	2	2
Mr. Surendra Singh Baid	2	2
Mr. Vikas Kothari	2	2

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: <https://www.cera-india.com/policy-and-statutory-documents>

8) Details of remuneration for the year ended 31st March, 2026.

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

(Rs. in Lakhs)

Name and Designation	Remuneration	Perquisites and other benefits	Commission
Mr. Vikram Somany Chairman & Managing Director	762.26	110.30	--
Mrs. Deepshikha Khaitan Vice Chairman and Joint Managing Director	435.44	30.29	--
Mr. Anupam Gupta Executive Director (Technical)	416.26	144.88*	--

* Includes Stock Options

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 Director is appointed for the period of 3 years while Managing Director and Joint Managing Director are appointed for period of 5 years.

Managing Director and Executive Director 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 Director 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.

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

Executive Director is entitled to receive stock options under Cera Sanitaryware - Employee Stock Option Scheme 2024.

(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 the 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.

Non-Executive Directors do not have any other pecuniary relationship with the Company except payment of Sitting Fee and Commission.

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 (Rs. in Lakhs)	Commission (Rs. in Lakhs)	No. of Shares held
Mr. Surendra Singh Baid	1.40	7.50	--
Ms. Akriti Jain	1.40	7.50	--
Mr. Ravi Bhamidipaty	1.40	7.50	--
Mr. Anandh Sundar	1.40	7.50	--
Total	5.60	30.00	--

iii) Employee Stock Option Scheme ("ESOS")

The Company has introduced and implemented 'Cera Sanitaryware - Employee Stock Option Scheme 2024' ("ESOS 2024" or "Scheme") by the primary issuance/secondary acquisition of the shares through trust route or both in one or more tranches by Cera Sanitaryware Employees Welfare Trust. The 'CERA Sanitaryware Employees Welfare Trust' (Trust) was set-up and bring into existence in due compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and provisions of the Applicable Laws including the Indian Trusts Act, 1882, with a view to administer Scheme through the Trust. This trust is managed by Qapita Equitytech Ltd (Formerly known as KP Corporate Solutions Ltd.) as an Independent Trustee.

The Nomination and Remuneration Committee of the Company have granted 14950 Options to 24 eligible employees of the Company on 5th June, 2024 in accordance with Scheme. Out of above, 1496 Employee stock options have completed time-based vesting period of 1 (one) year as per Vesting schedule of the Scheme on 5th June, 2025.

During the year, out of 1496 vested Options, 1406 options were exercised by the eligible Employees under 'Cera Sanitaryware - Employee Stock Option Scheme 2024'.

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 / IEPF 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, Mr. Anupam Gupta - Chairman, Mr. Surendra Singh Baid (Independent) - Member and Mr. Anandh Sundar (Independent) - Member.

All requests for dematerialization and re-materialization of shares were confirmed / rejected into the NSDL / CDSL system within the 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 is responsible for the satisfactory redressal of investor's grievances and recommends measures for overall improvement in the quality of investor's and stakeholder's services.

The Committee comprises of Three directors as its members, namely Mr. Anandh Sundar (Independent) - Chairman, Mr. Ravi Bhamidipaty (Independent) - Member and Mr. Surendra Singh Baid (Independent) - Member. During the year under review, 1 (One) meeting of Stakeholders Relationship Committee was held.

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

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

Status of Complaints during the financial year 2025-26	No. of Complaints
Complaints at the beginning of the year	0
Complaints received during the year	6
Complaints resolved during the year	6
Complaints remain unresolved at the end of the year	0

All the complaints received from the Shareholders were resolved to the satisfaction of shareholders. The Company has not received any serious complaints during the year.

11) Senior Management

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the followings are the senior management personnel of the Company:

Sr. No.	Name	Designation
1.	Mr. Vikas Kothari	Chief Financial Officer
2.	Mr. Sandeep Abraham	President – Sales and Growth Strategy
3.	Mr. Rahul Jain	President – Marketing
4.	Mr. Ramesh Baliga Bantwal	Chief Business Officer – Polymers and Emerging Business India
5.	Mr. Hemal Sadiwala	Company Secretary

12) General Body Meetings and Postal Ballot

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

Annual General Meetings:

Financial Year ended	Date	Time	Venue
31 st March, 2025	17 th July, 2025	11.30 a.m.	Held Through Video Conferencing / Other Audio-Visual Means
31 st March, 2024	11 th July, 2024	11.30 a.m.	Held Through Video Conferencing / Other Audio-Visual Means
31 st March, 2023	6 th July, 2023	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 :

- I. Adoption of new set of Articles of Association of the Company. (Annual General meeting held on 11th July, 2024)
- II. Re-appointment of Ms. Akriti Jain as an Independent Director for second term of 5 years. (Annual General meeting held on 6th July, 2023)

Passing of Resolution through Postal Ballot:

Sr. No.	Resolution	Date of Postal Ballot Notice	Type of Resolution	Details of voting on Resolutions	
				% of votes in Favour of Resolution	% of votes Against the Resolution
1.	Re-appointment of Mr. Ravi Bhamidipaty as an Independent Director of the company for second term.	6 th August, 2025	Special Resolution	99%	1%

In aforesaid postal ballot the Board of Directors had appointed Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad, as Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner. The procedure prescribed under Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and the guidelines prescribed by MCA Circulars were duly followed for conducting the postal ballot process for approving the above mentioned resolution.

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

13) Means of Communication

1. Quarterly results are published in leading daily newspapers viz. The Economic Times / Business Standard / Times of India and a local language newspaper viz. Times of India / Navgujarat Samay. The other Communication / notices to the shareholders are published in Indian Express English and Financial Express Gujarati both Ahmedabad Editions. 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.

2. The official news releases/investor communication, if any, are given directly to the press and simultaneously submitted to the Stock Exchanges.
3. 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.
4. Earnings Calls and Investor 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.

14) General Shareholders' Information

a) Annual General Meeting

Date and Time : Thursday, 23rd day of July, 2026 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.

b) Financial Calendar 2026-27 (tentative)

Annual General Meeting:	By 30 th September, 2027
Results for quarter ending	By 14 th day of
June 30, 2026	August, 2026
September 30, 2026	November, 2026
December 31, 2026	February, 2027
March 31, 2027 (Audited)	By 29 th May, 2027

c) Dividend Payment

The Board of Directors of your Company has recommended Dividend of Rs. 75/- (1500%) per equity share of Rs 5/- each for the Financial Year 2025-26.

Dividend for the year ended 31st March, 2026 will be paid within 30 days from the date of approval by the members at the Annual General Meeting either by direct credit into the members' bank accounts or by posting of demand draft cases where proper bank details are not available with Company / R&T agent.

The Register of Members and Share transfer book of the Company will remain closed from 8th July, 2026 to 15th July, 2026 (both days inclusive). Accordingly, the Record Date for the purpose of ascertaining the eligibility of the members to receive the dividend is 7th July, 2026.

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>

d) Transfer of Shares to Investor Education and Protection Fund Authority (IEPF 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, all the shares on which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares are required to be transferred to the Investor Education and Protection Fund. Company would be sending individual communications to all such shareholders whose dividend has not been paid or claimed for any year during the said seven consecutive years requesting them to claim their dividend before the due date of transfer failing which their shares would be transferred to the IEPF. 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 IEPF Authority at www.iepf.gov.in. Such shareholders are requested to update their KYC, claim their shares and unclaimed / unpaid dividend immediately.

Shareholders outreach initiatives

100 Days Campaign "Saksham Niveshak"

The Investor Education and Protection Fund (IEPF) Authority launched a 100 Days Campaign titled 'Saksham Niveshak' from 28th July, 2025 to 6th November, 2025. This initiative aims to create awareness amongst investors and facilitate the resolution of pending issues relating to unclaimed dividends and shares transferred to the IEPF.

upgradation of KYC and nomination details and enables investors to claim their rightful entitlements. In line with this initiative, the Company has published newspaper advertisements, website disclosures and Telephonic Communications to create awareness amongst the shareholders for updating KYC and claiming unpaid dividend.

Second 100 Days Campaign “Saksham Niveshak”

Aligned with the objectives of the Niveshak Shivir and IEPFA's broader mandate of investor education, awareness, and facilitation, Authority has launched the Second 100-Day Campaign - “Saksham Niveshak” - focusing on shareholders whose dividends remain unclaimed, with an emphasis on KYC updation and related compliance measures during the period from 1st April, 2026 to 9th July, 2026. Shareholders are encouraged to participate in the “Saksham Niveshak” campaign and claim their unpaid / unclaimed amount from the Company.

e) 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 - 400001 and National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

The Company has paid annual listing fees for the year 2025-26 and 2026-27 to both the Stock Exchanges.

BSE Limited

Scrip Code: 532443
Scrip ID: CERA

National Stock Exchange of India Limited

Trading Symbol: CERA

f) Registrar and Share Transfer Agent

Entire Share Transfer and dematerialization / rematerialization job are 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 depositories.

g) Share Transfer System

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.

Special window for re-lodgement of transfer requests of physical shares

Pursuant to SEBI Circulars dated July 2, 2025, a special window for physical shareholders to facilitate the re-lodgement of transfer deeds that were originally lodged prior to April 1, 2019 and rejected/ returned, due to deficiency in the documents. The re-lodgement window started for a period of 6 months from July 7, 2025 to January 6, 2026.

In terms of SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated 30th January, 2026, another special window for transfer and dematerialisation of physical securities which were sold / purchased prior to April 01, 2019, has been opened for a further period of one year from 5th February, 2026 to 4th February, 2027. This special window is open only for re-lodgement of transfer deeds which were lodged prior to the deadline of 1st April, 2019 and rejected / returned / not attended to due to deficiency in the documents / process / or otherwise. The shares that are re-lodged for transfer will be issued only in demat mode under lock-in for a period of one year from the date of registration of transfer. Such shares shall not be transferred / lien-marked / pledged during the said lock-in period. The disputed cases and IEPF transferred shares shall not be considered under this window for processing. The concern shareholders may submit the Share Transfer Deed and original share certificate(s) along with all necessary documents, duly complete in all respects, to the Registrar and Share Transfer Agent (RTA), MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009, Contact No. 079- 26580461/62/63, Email ID: mcsstaahmd@gmail.com for re-lodgement the transfer requests.

Information for Physical Shareholders

SEBI Master circular no. SEBI/HO/MIRSD/POD-1/P/ CIR/ 2023/70 dated 17th May, 2023 provides simplified norms for processing investor's service request, shareholders holding shares in physical form need to furnish the following documents to the Company / Registrar & Share Transfer Agent (RTA) for updation for their KYC and other details:

- 1) Valid PAN including of all Joint Shareholders duly linked with Aadhaar and KYC details, Bank Account details like Bank Name, Branch, Bank Account No, IFSC Code and MICR code, Address with Pin code, Email ID and Mobile Number (Form ISR-1)
- 2) Specimen Signature (Form ISR-2)

- 3) Registration of Nominee (Form No. SH-13) or Declaration for opting-out of Nomination (Form ISR-3)

Soft copies 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. 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.

For queries, you can contact to 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.

h) Distribution of Shareholding as on 31st March, 2026.

Shares			No. of Shareholders	% of No. of Shareholders	Total No. of Equity Shares	% of Shareholding
1	-	500	1,42,207	99.70	12,60,748	9.78
501	-	1,000	205	0.14	1,49,063	1.16
1,001	-	2,000	87	0.06	1,23,820	0.96
2,001	-	3,000	30	0.02	74,555	0.58
3,001	-	4,000	13	0.01	46,157	0.36
4,001	-	5,000	8	0.01	34,467	0.27
5,001	-	10,000	22	0.02	1,49,243	1.16
10,001	-	50,000	31	0.02	6,37,305	4.94
50,001	-	1,00,000	14	0.01	9,66,701	7.50
1,00,001	and	above	15	0.01	94,55,482	73.31
Total			1,42,632	100.00	1,28,97,541	100.00

i) Pattern of Shareholding as on 31st March, 2026.

Sr. No.	Category	No. of Shares	Percentage (%)
1.	Promoters & Promoter Group	70,17,760	54.41
2.	Mutual Funds	15,42,853	11.96
3.	Foreign Portfolio Investors	18,33,239	14.22
4.	Financial Institutions / Banks / Trusts / Insurance Co. etc.	2,98,504	2.31
5.	IEPF	1,06,576	0.83
6.	NRIs	84,139	0.65
7.	Bodies Corporate	1,08,642	0.84
8.	Indian Public / HUFs / Firms	19,01,252	14.74
9.	Employee Welfare Trust	4,576	0.04
	Total	1,28,97,541	100.00

j) Dematerialization of Shares as on 31st March, 2026.

As on 31st March, 2026, 99.31% of the Company's total shares representing 1,28,08,571 Shares were held in dematerialized form and the balance 0.69% representing 88,970 shares are in physical form.

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

k) 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 2025-26. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

l) There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments in the Company.

m) During the year the company has not granted any loans and advances in the nature of loans to firms/companies in which directors are interested.

n) Credit Rating:

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

Facilities	Ratings	Remarks
Long-Term Bank Facilities	CRISIL AA/ Stable	Reaffirmed
	CARE AA; Stable	Reaffirmed

Facilities	Ratings	Remarks
Short-Term Bank Facilities	CRISIL A1+	Reaffirmed
Long-Term / Short-Term Bank Facilities	CARE AA; Stable / CARE A1+	Reaffirmed
Commercial Paper (Rs. 30 Crores)	CRISIL A1+	Reaffirmed

o) Plant Locations:

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

1. Sanitaryware and Faucetware Plants:

9, GIDC Industrial Estate, Kadi - 382715, Dist. Mehsana, Gujarat.

2. 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.

p) 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 Cross roads, S G Highway, Ahmedabad - 380058 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, (Unit: Cera Sanitaryware Limited) 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380009. Contact No. 079 - 26580461 / 62, Email: mcsstaahmd@gmail.com

- 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 this report.
- During the FY 2025-26 the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.

- During the year, total fees of Rs. 32.50 Lakhs have been paid to Statutory Auditors, Singhi & Co.
- 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
- Compliance certificate from Parikh Dave & Associates, practicing company secretary, regarding compliance of conditions of corporate governance is annexed with this report.

15) 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. However, on 29th September 2025, the Company divested its entire 51% stake in its two subsidiary LLPs, Packcart Packaging LLP and Race Polymer Arts LLP. Consequent to this divestment, both LLPs have been ceased to be the subsidiaries of the Company with effect from the said date.

B. 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, 2026 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's figures have been regrouped / reclassified or restated, so as to make the figures comparable with the figures of current year.

- 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.

D. 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>

com/policy-and-statutory-documents/vigil-mechanism-whistle-blower-policy and no person is denied access to the Audit Committee. 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. No complaint was received under the whistle blower mechanism during the Financial Year ended on 31st March, 2026.

- E. 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 to the Executive Director (Technical) & CFO and has direct access to the Audit Committee. The Company is complying with applicable Secretarial Standards.
- F. 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: <https://www.cera-india.com/policy-and-statutory-documents/policy-for-determining-materiality-of-events>

G. 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, as applicable. There

were no materially significant transactions with related parties during the financial year which were in conflict of interest of the Company. Considering the amendments in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Related Party transactions, the board review and revise the Related party Transaction policy of the Company, time to time and it has been uploaded on the website of the Company at: <https://www.cera-india.com/policy-and-statutory-documents/related-party-transaction>

H. 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.

- I. 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 2025-26.

J. Agreements:

There were no agreements entered by Company falling under the provision of Clause 5A of paragraph A of Part A of schedule III of SEBI LODR Regulations.

K. 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
8th May, 2026

Vikram Somany
Chairman and Managing Director
(DIN: 0048827)

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

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

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2026.

Ahmedabad
8th May 2026

Vikram Somany
Chairman and Managing Director
(DIN: 00048827)

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Board of Directors,
Cera Sanitaryware Ltd.,
9, GIDC Industrial Estate,
Kadi – 382715.

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2026 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year.
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) that there is no instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Ahmedabad
30th April, 2026

Vikas Kothari
Chief Financial Officer

Vikram Somany
Chairman and Managing Director

CERTIFICATE

To,
The Members,
CERA SANITARYWARE LIMITED
CIN: L26910GJ1998PLC034400

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of Cera Sanitaryware Limited (the Company) having its registered office situated at 9, G.I.D.C. Industrial Estate, Kadi, Mehsana – 382715, Gujarat which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number – DIN on the portal of Ministry of Corporate Affairs – MCA www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UMESH G. PARIKH
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer Review Certificate No.: 6576/2025
FCS NO. 4152 CP. NO. 2413
UDIN: F004152H000310722

Place : Ahmedabad
Date : 08/05/2026

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
CERA SANITARYWARE LIMITED
CIN: L26910GJ1998PLC034400

We have examined all relevant records of CERA SANITARYWARE LIMITED for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2026.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UMESH G. PARIKH
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer Review Certificate No.: 6576/2025
FCS NO. 4152 CP. NO. 2413
UDIN: F004152H000310788

Place : Ahmedabad
Date : 08/05/2026

ANNEXURE VII TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

**The Directors present the Business Responsibility and Sustainability Reporting
for the financial year ended on 31st March, 2026**

SECTION A: GENERAL DISCLOSURE

I. Details of Listed Entity

1	Corporate Identity Number (CIN) of the Company	L26910GJ1998PLC034400
2	Name of the Company	CERA Sanitaryware Limited
3	Year of Incorporation	1998
4	Registered Office address	9, GIDC Industrial Estate, Kadi-382715, Dist. Mehsana, Gujarat, India.
5	Corporate Address	7 th & 8 th Floor, B Wing, Privilon, Ambli BRTS Road, ISKCON Crossroads, Ahmedabad - 380059
6	Email ID	kadi@cera-india.com
7	Telephone	02764 - 243000, 242329 079 - 49112222
8	Website	www.cera-india.com
9	Financial year of which Reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid Up Capital	Rs. 644.88 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Hemal Sadiwala Company Secretary 2764-243000,242329 hemal.sadiwala@cera-india.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14	Name of assessment or assurance provider	Not Applicable (As per the SEBI Applicability Criteria)
15	Type of assessment or assurance obtained	Not Applicable (As per the SEBI Applicability Criteria)

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Trading	Manufacturing and Trading of Sanitaryware, Faucetware, Tiles, Bathroom Accessories & Allied products.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S.No.	Product/Service	NIC Code*	% of Total Turnover contributed
1	Manufacturing and Trading of Sanitaryware	23922	48%
2	Manufacturing and Trading of Faucetware	28132	41%
3	Manufacturing and Trading of Bathroom Accessories & Allied products	28132	01%
4	Trading of Tiles	23912	10%

* NIC -2008

III. Operations**18. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of Plants	Number of Offices*	Total
National	2	33	35
International	-	-	-

(*Including Depots)

19. Markets served by the entity:**a. Number of locations**

Location	Number
National (No. of states)	28 States 08 Union Territories
International (No. of countries)	16

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute 1% to the total turnover.

c. A brief on types of customers

Customer Segment	Distribution Channel	Customer Type
Individual Segment	Dealers and sub-dealers 'network	Individual homeowners, small-scale buyers
Institutional Customers	Direct engagement	Construction companies, real estate developers, government bodies, large entities

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1313	1235	94%	78	6%
2.	Other than Permanent (E)	220	208	95%	12	5%
3.	Total Employees (D + E)	1533	1443	94%	90	6%
WORKERS						
4.	Permanent (F)	1189	1187	100%	2	0.2%
5.	Other than Permanent (G)	2618	2411	92%	207	8%
6.	Total workers (F + G)	3807	3598	95%	209	5%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100%	0	-
2.	Other than Permanent (E)	0	0	-	0	-
3.	Total differently abled employees (D + E)	4	4	100%	0	

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	10	10	100%	0	-
5.	Other than permanent (G)	0	0	-	0	-
6.	Total differently abled workers (F + G)	10	10	100%	0	-

21. Participation/Inclusion/Representation of women (As on 31st March, 2026)

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.6%
Key Management Personnel	2	0	-

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20%	24%	20%	25%	16%	24%	23%	13%	22%
Permanent Workers	4%	0%	4%	4%	0%	3%	3%	0%	3%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business. Responsibility initiatives of the listed entity? (Yes/No)
1	Nil			

During the quarter ended 30th September 2025, the Company divested its entire 51% stake in its two subsidiary LLPs, Packcart Packaging LLP ("Packcart") and Race Polymer Arts LLP ("Race"), on 29th September 2025. Consequent to this divestment, both "Packcart" and "Race" have ceased to be subsidiaries of the Company with effect from the said date.

VI. CSR DETAILS

- 24. (i)** Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No) - Yes
- (ii)** Turnover (in Rs.) 2,05,011.98 Lakhs
- (iii)** Net worth (in Rs.) 1,47,233.85 Lakhs

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (Other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	6	0	-	13	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify) *	Yes	29,401	3,670	-	20,817	1,547	-

*Consumer complaints regarding products

Note: CERA has implemented a Vigil Mechanism (whistle-blower mechanism) to address grievances:

<https://www.cera-india.com/policy-and-statutory-documents/vigil-mechanism-whistle-blower-policy>

Additionally, the Company operates Vishwaas Setu, a daily shop floor grievance redressal and support tool for workers. www.cera-india.com/sites/default/files/2022-05/Discipline-and-Grievance-Policy.pdf

For shareholders and investors, a dedicated email ID and contact details are available on the Company's website for queries and grievances.

<https://www.cera-india.com/investor-relations>

For customers, the Company has established a grievance mechanism through a dedicated helpline (1800-258-5500) and email support at ceracare@cera-india.com.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr No.	Material Issue Identified	Classification (Risk/ Opportunity)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
1	GHG and Energy Management	Risk and Opportunity	Risk The manufacturing processes of sanitaryware, faucet ware, bathroom accessories involve the consumption of electricity and natural gas for operating kilns which results in greenhouse gases emissions (GHGs). Opportunity Adopting energy efficiency initiatives and integrating renewables into the energy mix, CERA can reduce operational costs and strengthen its position as a responsible brand.	CERA has set up solar and wind plants with a combined capacity of 10.325 MW, generating 13,163MWh. This setup sufficiently meets around 64% of the electricity requirements, thus reducing its dependency on grid electricity. Further, the Company has also installed a waste heat recovery system, which optimizes energy extraction/utility from fuels. Our R&D unit explores various alternatives aimed at reducing fuel consumption, including using fuel-efficient burners and incorporating newer energy-saving technologies.	Positive & Negative

Sr No.	Material Issue Identified	Classification (Risk/ Opportunity)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
2	Water Management	Risk & Opportunity	Risk: Water is crucial in the mixing and moulding stages of production. Improper water management poses risks to operations, increases costs, and could result in non-compliance, which affects business continuity. Opportunity: Implementing water management practices that optimize water usage is critical to reduce the dependency on freshwater sources. Additionally, incorporating water-efficient product designs and manufacturing fosters resilience and encourages innovation within our business model.	The Company recognises the importance of water, and it has installed state-of-the-art ETP, STP, MEE, and RO units in the manufacturing facility to treat the effluents. Further, the company reuses the treated water in the production process, gardening and other applications. This has enabled us to achieve Zero Liquid Discharge (ZLD) in our operations. Additionally, we have developed a fully functional rainwater-harvesting system by maintaining over 10 wells within the premises. This water is further treated and reused in production, which reduces the dependency on groundwater. As a socially responsible corporate citizen, CERA prioritizes water-efficient product design, with Majority of its portfolio consisting of water-saving products.	Positive & Negative
3	Waste Management	Opportunity	The majority of the waste generated in the Company's operations is recyclable, and the company takes a circular approach, maximising reuse and recovery. Through 'Waste Minimization and Waste Utilization' initiative, the company has undertaken several measures to reduce, reuse, and recycle its waste. Repurposing waste at various production stages (including both unfired and fired waste) and implementing stringent pollution control measures reduces environmental impact and provides a competitive edge in the market.		Positive

Sr No.	Material Issue Identified	Classification (Risk/ Opportunity)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
4	Community (CSR)	Opportunity	The Company demonstrates its commitment to social responsibility through the implementation of strategic and trust-based community development interventions. The Company actively engages with local communities and participates in various social welfare activities. These programs enhance the company's engagement with surrounding communities and contribute to strengthening its social commitments.		Positive
5	Human Rights	Risk & Opportunity	Risk: Adhering to human rights principles is a fundamental responsibility of the company. It is essential to prioritize compliance with laws and regulations related to human rights. Failure to do so can lead to legal consequences and negatively affect the company's reputation and brand perception. Opportunity: Adhering to ethical labour practices and promoting diversity, equity and inclusion through stakeholder engagement reinforces our position as a responsible and preferred employer.	At CERA, we are dedicated to safeguarding the human rights of our employees and workers. We have adopted various policies, including Code of Conduct, Anti-Corruption Policy, Business Ethics & Labour Policy, Policy on Child Labour & Forced Labour, Policy on Sexual Harassment, Whistle-blower Policy. These policies serve as guiding principles for us to establish and implement processes and procedures aimed at eliminating all forms of human rights violations. Further, we have established a mechanism, 'Vishwaas Setu' initiative, whereby daily grievances of people on the shop floor are addressed by the CHRO, AGM of IR, and the Head of Security. This promotes a supportive work environment.	Positive & Negative

Sr No.	Material Issue Identified	Classification (Risk/ Opportunity)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implications
6	Employee Safety and Well-being	Opportunity	At CERA, we consider our employees as our most valuable asset. CERA is ISO 45001:2018 certified, which ensures our compliance with health and safety practices. This, along with our focus on employee engagement initiatives, plays a crucial role in enhancing the productivity of the company.		Positive
7	Product Quality and Brand Image	Opportunity	To distinguish ourselves as a leading market player and the most preferred consumer brand in sanitaryware and bathroom allied products, CERA has established strong market connects and built legacy brands that ensure consumer satisfaction.		Positive
8	Supply Chain Management	Risk & Opportunity	Risk: Disruptions in the supply chain pose a significant threat to competitiveness in the sanitaryware industry. Global volatility, including fluctuations in raw material availability, logistics challenges, and geopolitical uncertainties, can adversely impact production continuity and cost efficiency. Opportunity: Strengthening supply chain resilience through supplier diversification, nearshoring and local sourcing, strategic partnerships, and digitalization (real time visibility, demand forecasting, and inventory optimization). These measures can mitigate global volatility, reduce cost and lead time exposure, improve production continuity and service levels, and create a sustainable competitive advantage for the CERA	The Company has implemented a range of measures to strengthen supply chain resilience, including establishing alternative sourcing arrangements for critical inputs (such as natural gas) to reduce dependency on single suppliers. It maintains optimal inventory levels. Additionally, the Company undertakes continuous monitoring of supply chain risks and supplier performance while enhancing supplier diversification and logistics planning to enable timely response to potential disruptions.	Positive & Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)									
Policy for Preservation of Documents	✓								
Related Party Transaction	✓								
Code of Fair Disclosure	✓								
Code of Conduct	✓				✓				
Code for Insider Trading	✓			✓					
CSR Policy				✓				✓	
Vigil Mechanism (Whistle blower policy)	✓		✓	✓			✓		✓
Policy for Determining Materiality of Events	✓			✓					
Archival Policy	✓								
Nomination and Remuneration Policy	✓								
Dividend Distribution Policy				✓					
Policy for determining Material Subsidiary	✓								
Familiarization Programme for Independent Directors	✓								
Anti-Corruption Policy	✓								
Business Ethics & Labour Policy	✓		✓		✓				
Discipline and Grievance Policy			✓	✓					
Environmental Policy		✓				✓			
Occupational Health & Safety Policy			✓						
Policy on Child Labor & Forced Labor					✓				
POSH Policy					✓				
Quality Policy		✓							
BRS Policy	✓	✓	✓	✓	✓	✓	✓	✓	✓
b. Has the policy been approved by the Board? (Yes/No)	✓	✓	✓	✓	✓	✓	✓	✓	✓
c. Web Link of the Policies, if available	https://www.cera-india.com/policy-and-statutory-documents								
2. Whether the entity has translated the policy into procedures. (Yes / No)	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, the Company encourages its value chain partners to adopt best practices to achieve responsible business operations.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		P2 – Safe & Sustainable GRIHA Ratings Water Efficient Products – India (WEP-I) GreenPro International Association of Plumbing and Mechanical Officials certified Faucet ware QC Lab (IAPMO) Department of Scientific & Industrial Research (DSIR) certified R&D Lab National Accreditation Board for Testing and Calibration Laboratories (NABL) BIS Certification IAPMO Green UPC Sanitaryware Certificate CE Certificate							
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.			P3 – Employee Wellbeing ISO 45001:2018 Safety Management System						
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.			P6 –Environment ISO 14001:2018 Environment Management System Indian Green Building Council (IGBC) P9 – Consumer Privacy & Product Safety ISO 9001:2015 Quality Management System						
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)			Our company is certified with ISO 14001:2018 for environmental management systems. We have established internal targets for energy and water consumption, as well as waste generation. These targets are established by the taskforce and operation control teams led by HODs. Regular assessments and monitoring ensure alignment with our overarching goals, fostering a culture of continuous improvement and environmental stewardship across our operations. The performance of these targets is integral to the company and is assessed by the respective HODs.						
			At CERA, our commitment to Environmental, Social, and Governance (ESG) principles continues to shape our strategic priorities and operational decisions. We view ESG not as a standalone initiative, but as an integrated framework that underpins sustainable value creation and long-term resilience. During FY 2025–26, we remained focused on strengthening operational efficiency while navigating a dynamic external environment, including volatility in energy markets. In this context, we continued to optimise our energy sourcing mix and enhance process efficiencies to mitigate risks associated with natural gas dependency. From an environmental perspective, we advanced our resource efficiency agenda through improved energy intensity and structured waste management practices, and initiatives across operations. On the social front, we prioritised employee well-being, workplace safety, and inclusive growth, while continuing to engage meaningfully with communities in areas of operation. This commitment is reflected in our recognition in the DEI 100 – India's Diversity, Equity and Inclusion Index, highlighting our continued progress in advancing inclusive and equitable workplace practices. These efforts are underpinned by a robust governance framework anchored in transparency, accountability, and ethical conduct. As we move forward, we remain committed to embedding sustainability across our value chain, enabling responsible growth and reinforcing stakeholder trust in an evolving business landscape. Cera adopted a holistic approach to Environmental, Social, and Governance (ESG) matters, placing great importance on the trust placed in it by stakeholders including customers, the communities it serves, and society at large and remains dedicated to safeguarding and advancing their interests.						

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	❖ DIN Number: 09290890 ❖ Name: Mr. Anupam Gupta ❖ Designation: Executive Director (Technical) ❖ Telephone: (02764) 243000, 242329								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Risk Management Committee (RMC), comprising members of the Board and the KMP, is responsible for overseeing and guiding the management of risks related to Environmental, Social, and Governance (ESG) aspects.								

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The review is undertaken by the Executive Director (Technical) At CERA, we have implemented internal control measures to regularly check compliance requirements.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										Quarterly								

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

The entity has not conducted any independent assessment or evaluation of its policies. However, we ensure that internal control procedures and periodic assessments of our operations are conducted to verify compliance with our policies.

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	As part of the Board and Committee meetings, a total of 16 programs were held	- Corporate governance & Disclosure - Companies Act, and rules made there under - SEBI regulations	96%
Key Managerial Personnel		- ESG related issues & updates - CSR initiatives - Risk management - Familiarization programmes	
Employees other than BoD and KMPs		- Health and safety trainings - Skill upgradation - POSH - Leadership - Mental Health - Data security	84%
Workers		- Health and safety trainings - Skill upgradation - Leadership - Mental Health - Product Training	85%

2. Details of fines/ penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Amount (In Rs.)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement			Nil		
Compounding Fee			Nil		

Non-Monetary				
	NGRBC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment				
Punishment			Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, CERA has implemented an Anti-Corruption Policy that emphasizes ethical business practices as a core value, supported by the board, and senior management. The company does not participate in or tolerate any form of bribery or corruption. We are committed to complying with all legal requirements related to anti-bribery and corruption. All allegations of ethical misconduct reported are thoroughly investigated and addressed. Ethical business practices are further reinforced through transparent financial reporting.

Policy Link: <https://www.cera-india.com/sites/default/files/2022-05/Anti-Corruption-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2025-26	FY2024-25
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

No directors, key management personnel, employees, or workers have faced disciplinary actions by law enforcement agencies for allegations related to bribery or corruption.

6. Details of complaints with regard to conflict of interest:

	FY2025-26		FY2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

No complaints received in relation to issues of conflicts of interest of Directors / KMPs.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Not Applicable

8. Number of days of accounts payables in the following format:

	FY2025-26	FY2024-25
Number of days of accounts payables	49	47

Note: The FY2024-25 value has been updated in line with the ISF guidance.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY2025-26	FY2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.63%	2.65%
	b. Number of trading houses where purchases are made from	15	15
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	97.44%	97.43%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	64%	65%
	b. Number of dealers / distributors to whom sales are made	3140	2992
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	11.28%	12.25%

Parameter	Metrics	FY2025-26	FY2024-25
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.73%	4.27%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

*Note: Import purchases from trading houses have been considered for the calculation.

** The reported purchases from subsidiaries pertain to the period April 2025 to September 2025, prior to the disinvestment of the subsidiaries.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
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The Company has been encouraging its vendors to follow the path of sustainability. The Company has a strong emphasis on ESG factors in addition to general competencies, finances, and capacity.

CERA regularly conducts training sessions for plumbers and masons to enhance their technical skills and product knowledge. These sessions empower participants to earn better wages, address customer queries effectively, and ensure hassle-free product installation.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same

Yes, CERA has implemented a comprehensive code of conduct for Directors, Key Management Personnel (KMPs), and Senior Management Persons (SMPs), aimed at addressing conflicts of interest among board members. This code requires all individuals to disclose any potential conflicts of interest related to board matters and to abstain from participating in discussions or voting on such matters. All members are required to declare that they do not have any conflicts of interest at the end of the financial year.

Policy link:

<https://www.CERA-india.com/policy-and-statutory-documents/code-of-conduct>

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Parameter	FY2025-26	FY2024-25	Details of improvements in environmental and social impacts
R&D	4%	16%	Expenditure incurred for energy efficiency, safety, waste management, water consumption reduction, etc., more details are mentioned in Annexure III of the Directors Report
Capex	24%	13%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, CERA has instituted responsible sourcing procedures. The primary raw material, clay, is largely sourced from within the same state or neighbouring states as the manufacturing facility, thereby reducing emissions associated with transportation. We prioritise sourcing from suppliers who are reputable and adhere to environmental standards. Our vendor selection process emphasises responsible business conduct, and we prioritize establishing long-term partnerships with suppliers who align with our values. CERA operates with a just-in-time vendor system, optimising inventory, reducing material wastage, and enhancing supply chain logistics.

b. If yes, what percentage of inputs were sourced sustainably?

Raw material purchase from neighbouring states 82%.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We do not reclaim any of our products at the end of their life cycle due to their long lifespan. However, we ensure proper disposal of plastic, e-waste, and hazardous waste in accordance with CPCB compliance norms.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable for our activities and we adhere to Extended Producer Responsibility (EPR) compliance norms and regulations as mandated by the Central pollution control boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

N/A

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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N/A

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2025-26	FY2024-25
Green Waste	12%	13%
Fired Waste	7%	7%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2025-26			FY2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	We do not reclaim any of our products at the end of their life cycle due to their long lifespan. Nevertheless, we optimize waste disposal through a circular approach, maximizing reuse and recovery wherever applicable.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) foreach product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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At CERA, we do not reclaim our sold products at the end of their life cycle due to their long lifespan. The cardboard used in our packaging material is recyclable.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1235	845	68%	1235	100%	0	-	0	-	0	-
Female	78	41	53%	78	100%	78	100%	0	-	13	17%
Total	1313	886	67%	1313	100%	78	6%	0	-	13	1%
Other than Permanent employees											
Male	208	107	51%	208	100%	0	-	0	-	0	-
Female	12	1	8%	12	100%	12	100%	0	-	0	-
Total	220	108	49%	220	100%	12	5%	0	-	0	-

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1187	1067	90%	122	10%	0	-	0	-	0	-
Female	2	2	100%	2	100%	2	100%	0	-	2	100%
Total	1189	1069	90%	124	10%	2	0.2%	0	-	2	0.2%
Other than Permanent Workers											
Male	2411	2411	100%	2411	100%	0	-	0	-	0	-
Female	207	207	100%	207	100%	207	100%	0	-	0	-
Total	2618	2618	100%	2618	100%	207	8%	0	-	0	-

c. Spending on measure towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY2025-26	FY2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.023%	0.021%

Note: The FY2024-25 value has been updated in line with the ISF guidance.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2025-26			FY2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	3%	90%	Y	3.31%	90%	Y
Others- please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

CERA is committed to creating an inclusive workplace by ensuring accessibility for differently abled employees and workers. The manufacturing facilities and offices are equipped with accessible infrastructure, supportive amenities, that enable equal participation in all key aspects of work. Further, we have mapped certain roles where differently abled employees can work without any constraints. We sensitize employees to raise awareness of the needs and requirements of differently-abled individuals, enabling our employees to offer appropriate assistance when needed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company believes in equal opportunity for all employees and workers and is committed to fostering an inclusive work culture free from discrimination. Guided by our Business Ethics Policy and Labour Policy, we ensure that no individual is treated differently on the basis of caste, creed, gender, race, religion, or ability.

Policy link: <https://www.cera-india.com/policy-and-statutory-documents>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	50%	-	-
Total	100%	50%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	At CERA, we have established a robust grievance mechanism for our workforce, derived from our grievance policy.
Other than Permanent Workers	We have established daily shop floor grievance mechanisms Vishwaas Setu where the AGM of Industrial Relations (IR), AM (IR) and the Head of Security conduct shop floor visits to address any grievances of the workforce. Weekly meetings with Union representatives are also held every Wednesday. This approach ensures prompt resolution of issues and fosters a supportive work environment.
Permanent Employees	We have various policies enabling employees to report their grievances and seek redressal, like i.e. POSH Policy, Code of Conduct etc. Employees are directly connected with their respective HR SPOCs for routine grievances and their grievances are handled as and when reported. We also have established a whistleblower mechanism for our employees to disclose concerns about unethical behaviour, improper practices, and wrongful conduct. We provide safeguards to whistleblowers and stakeholders assisting investigations.
Other than Permanent Employees	We also hold monthly meetings with union representatives; these meetings are attended by the AGM (IR) and AM (IR). A monthly contractor meeting is held for contractual employees to understand and resolve the grievances and challenges they face.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2025-26			FY2024-25		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category who are part of association(s) or Union (B)	%(B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category who are part of association(s) or Union (D)	%(D/C)
Total Permanent Employees	1313	0	-	1240	0	-
- Male	1235	0	-	1158	0	-
- Female	78	0	-	82	0	-
Total Permanent Workers	1189	1189	100%	1234	1234	100%
- Male	1187	1187	100%	1232	1232	100%
- Female	2	2	100%	2	2	100%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1235	1025	83%	1062	86%	1158	465	40%	771	67%
Female	78	34	44%	41	53%	82	24	29%	30	37%
Total	1313	1059	81%	1103	84%	1240	489	39%	801	65%
Workers										
Male	1187	1187	100%	1080	91%	1232	1133	92%	1133	92%
Female	2	2	100%	2	100%	2	2	100%	2	100%
Total	1189	1189	100%	1082	91%	1234	1135	92%	1135	92%

9. Details of performance and career development reviews of employees and worker:

Category	FY2025-26			FY2024-25		
	Total(A)	No. (B)	%(B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	1235	1130	91%	1158	1074	93%
Female	78	74	95%	82	74	90%
Total	1313	1204	92%	1240	1148	93%
Workers						
Male	1187	1187	100%	1232	1232	100%
Female	2	2	100%	2	2	100%
Total	1189	1189	100%	1234	1234	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, CERA has implemented a comprehensive health and safety management system, ISO 45001:2018, supported by an Occupational Health & Safety Policy and full compliance with the Gujarat State Factories Rules. We conduct HIRA at all facilities, use Kaizen for continuous improvement, delivered 204 health and safety trainings in 2025-26, and observe National Safety Week—leveraging technology and safe work practices to minimize risks and protect our workforce.

Activities to reinforce safety culture included safety quizzes; slogan and poster competitions; essay writing; a safety march; and a safety oath ceremony, during which employees reaffirmed their commitment to safety norms. Safety banners and badges were displayed across the plant to boost awareness and accountability. We remain committed to strengthening safety performance through ongoing training, employee engagement, and systematic improvements to ensure a safe, healthy workplace for all.

Policy Link:

<https://www.CERA-india.com/sites/default/files/2022-05/Occupational-Health-Safety-Policy.pdf>

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At CERA, we have implemented Hazard Identification and Risk Assessment (HIRA) process to identify work-related hazards. Our dedicated health and safety team conducts regular inspections to identify potential hazards, incorporating feedback from employees and workers. Identified hazards are mitigated with the assistance of Plant Engineering team and Department Heads. Additionally, we conduct third-party safety audits and ensure compliance. We promote a safety culture by encouraging prompt reporting of unsafe acts, hazardous conditions, near misses, or work-related risks to the health and safety team.

Further, we have integrated a Kaizen system focused on safety to identify and mitigate work-related hazards. To encourage active participation from our workforce, we have introduced Kaizen coupons for participants in this program. These coupons serve as tokens of encouragement for our workforce and helps us to identify the work-related hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, CERA actively encourages employees and workers to promptly report work-related hazards to the safety team or their supervisor. Upon receiving reports, the respective team investigates the hazards and implements necessary corrective actions, reinforcing our commitment to creating a safe and aware workplace environment. If an employee cannot continue in their current role for health reasons, HODs and HR review the case and, where appropriate, transfer them to a suitable position to ensure support and safety.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, CERA's manufacturing facility is equipped with an Occupational Health Centre (OHC) to ensure prompt and efficient healthcare response for the workforce. Employees and workers are covered by health insurance, and those not included in these insurance schemes have access to the ESIC program. Additionally, we organize annual health check-up programs at all operational sites, complemented by twice-a-month health check-ups conducted under the Shramyogi Vaan initiative. In case of emergencies, we have a tie-up with a local hospital (Rhythm) to ensure timely medical support. Joint counselling sessions are conducted to address, Sleeping during duty hours, Alcohol addiction, Absenteeism. These initiatives have resulted in, Improved safety and discipline, Enhanced attendance and punctuality, Reduced absenteeism, Stronger shop floor discipline and policy adherence.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY2025-26	FY2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	0.58	2.79
Total recordable work-related injuries	Employees	-	-
	Workers	2	10
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including in the contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

At CERA, we are committed to health and safety of our employees by eliminating unsafe conditions and acts within the workplace. As a preventive measure, workers are allowed to begin work only after receiving a safety briefing on the tasks involved. For all safety-related incidents, our safety team conducts root cause analysis and implements corrective actions to eliminate hazards. To reduce ergonomic impact, we have introduced stack lifters, forklifts, trolleys, and designated internal movement pathways, minimizing physical stress. We also ensure a clean and hygienic work environment. We have 60 trained first aiders workers and 750+ trained fire-fighting workers. The dedicated safety committee, comprising 11

management representatives and 12 workers, facilitates discussions on all safety-related aspects, fostering collaboration between management and workers to maintain a safe work environment.

Comprehensive training and awareness programs on health and safety practices

Hazard response	Safety systems	Infrastructure utility
- Emergency mock drills - Work permit system training - Road safety & helmet usage - Awareness on working at heights - Accident prevention - Firefighting drills - Construction site safety - PPE usage training	- Lockout-Tagout (LOTO) integrated with Work Permit System - Near-miss reporting across departments - Internal safety reviews and compliance tracking	- Fire extinguishers, hydrant systems across the plant - Detection systems at critical locations - Safety guard installations (e.g., conveyors) - Railings at elevated/hazardous zones - Eyewash stations, dust extractors, and other protective infrastructure

During FY 2025-26, a total of 204 safety training sessions were conducted. Employees and workers received hands-on training in fire-fighting techniques, including the use of fire hoses and extinguishers, along with instruction on emergency rescue procedures. Regular toolbox talks were also conducted to reinforce safety protocols and strengthen risk awareness across the workforce. In addition, the organisation plans to extend appropriate safety training to offsite employees. These initiatives collectively aim to cultivate a proactive safety culture, underpinned by continuous communication, structured learning, and active engagement, while reinforcing individual accountability in preventing workplace incidents. A company township consisting of 69 flats has been developed for new workers, equipped with, Almirahs, Waste management facilities, Mandatory police verification. This initiative has resulted in, structured worker relocation, reduced stress for workers and families.

To foster a deeper connection between worker and the organization, two family visits are organized every month, accommodating 20 families per session. To date, 546 families (covering approximately 1,332 family members) have visited our facilities. Each visit includes: An engaging presentation on the Cera Journey and industry best practices, A guided plant tour offering firsthand operational insights, A networking lunch encouraging open interaction and feedback. Feedback received from participating families has been overwhelmingly positive, reinforcing strong emotional bonding between employees, their families, and the organization.

Every year in January, Cera organizes large scale sports carnivals on factory premises. 1,750 employees (Including Workmen, Contractual workmen) participate in events such as, Cricket,

Badminton, Volleyball, Chess, Table Tennis, Carrom, Tug of War. These activities significantly boost workplace morale, teamwork, and energy, transforming the industrial environment into a vibrant community space.

13. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company implements corrective actions based on the relevance and severity assessments, which helps prioritize corrective actions for the implementation. As part of our safety enhancement efforts, detailed audits were carried out across operational areas. Based on the findings, corrective and preventive measures were implemented. These included improved machine guarding, enhanced barricading, reinforcement of PPE usage and provision of additional protective

gear, including masks and protective spectacles. Key safety infrastructure such as eyewash stations, dust extraction systems, and fire safety provisions were also installed. Targeted safety trainings, along with improvements to operational safety controls in high-risk areas, were enhanced to ensure workers are well-equipped to operate safely in dynamic and potentially hazardous environments, reinforcing both compliance and workforce well-being.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, CERA has established an internal group policy to support the families of deceased employees, ensuring they receive financial assistance in the event of unfortunate loss. Through the Kamdar Kalyan Yogna Fund, we provide specified benefits for both natural and accidental deaths, reflecting our commitment to the well-being of our employees and their families. Additionally, we offer financial aid to cover funeral expenses, to the legal heirs of the deceased employees, as a small gesture of support during difficult times.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

CERA is committed to maintaining transparent business practices across the value chain. We actively encourage our value chain partners to fulfil their obligations by deducting and depositing all statutory dues.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2025-26	FY2024-25	FY2025-26	FY 2024-25
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, the Company provides transition assistance to its workforce on a case-to-case basis. Cera gives due recognition to retiring workmen by honouring their careers through organized retirement functions. These ceremonies serve as a living example of the organization's legacy, values, work ethics, and conscious culture, bring together employees from different departments. Foster camaraderie, respect, and a strong sense of belonging across the workforce

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has mapped its internal stakeholders, such as BODs, KMPs, employees, workers and external stakeholders, including suppliers, consumers, dealers, investors, regulatory bodies, communities, and associations. We have prioritized

all the stakeholders based on their level of influence and interest in the company. Additionally, we have established a feedback mechanism for these stakeholders which helps to integrate the stakeholder considerations into decision-making processes across the organization.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and Shareholders	No	- Quarterly and annual financial results - Annual report - Investor presentations & meetings - Earnings conference call - Annual General Meeting - Regulatory filings - Press releases	Quarterly, with continuous engagement as required	- Business ethics and governance updates - Financial performance and market developments - Non-financial disclosures - ESG Material issues identified
Government and Regulatory Bodies	No	- Statutory & regulatory filings - Pollution Control Board engagement - Annual report	As per applicable rules and regulations	- Statutory and regulatory compliance - Environmental consents and clearances - Product standards
Employees & workers	No	- Induction program - Training programmes - Intranet portals & email communications - Performance appraisal reviews - Safety committee meetings - Policy documents circulated	Quarterly, with continuous engagement as required	- Employee well being - Training & skill development - Employee well-being, health, and safety - Compensation, benefits and recognition - Identification of relevant material issues
Consumers or End Users	No	- Advertising, exhibitions and trade events - Digital marketing and social media - Dealer showrooms - Brochures and product catalogues - Company website - Phone calls, e-mails and meetings	Quarterly, with continuous engagement as required	- Customer satisfaction - Product details - Product pricing - Product feedback - New product development

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Industry Bodies and Associations	No	- Participation in industry forums, trade fairs and exhibitions	Annually, with continuous engagement as required	- Sector advocacy - Discussions on the issues faced by the Ceramic sector and housing & construction sector - Knowledge exchange and latest trends - Identification of relevant material industry issues - Participate in forums to advance responsible business practices.
Communities	Yes	- CSR projects through internal teams and partner agencies - Community grievance mechanism - Local language communication (notice boards, pamphlets)	Continuous, with periodic project monitoring	- Community engagement aligned with CSR policy - Community needs assessments - Selection of new projects based on needs - Welfare of marginalized and vulnerable sections of the society
Suppliers	No	- Vendor onboarding and assessment - Supplier review meetings - E-mails and phone calls - Purchase documentations	Continuous with periodic monitoring	- Operations & supply chain reliability - Pricing and quality - Supply chain issues/ solutions - Capacity development - New material development - Fair business practices

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Dealers	No	- Advertisement, exhibitions and events - Company website - Dealer meetings & conferences - Annual dealer awards ceremony - Emails and phone calls	Continuous with periodic meetings	- Business growth and distribution - New product launches - Distribution channel issues/ solutions - Showroom upgradation/ renovation - Customer Preferences - Incentive Scheme

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

At CERA, Risk Management Committee is responsible for the internal and external ESG related risks. Additionally, the Committee ensures the implementation of appropriate methodologies, processes, and systems to monitor and evaluate ESG risks and to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken. These steps ensure our alignment with sustainability objectives and regulatory requirements. The Board has constituted a Stakeholders' Relationship Committee to oversee shareholder and investor grievances, ensuring timely resolution and effective feedback mechanisms. In addition, the Corporate Social Responsibility (CSR) Committee focusses on local communities and provides regular updates to the Board on consultation outcomes and ongoing initiatives.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation plays a pivotal role in the identification and management of environmental and social topics. By engaging with our stakeholders, including customers, dealers, suppliers, investors, employees, communities, industry associations, and regulatory bodies, we discuss the key concerns of the stakeholders. This collaborative approach ensures that the stakeholder perspectives and concerns are considered in our business decisions, making our policies and activities more aligned with sustainable practices.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

At CERA, we firmly believe in empowering and improving the lives of not only our employees but also the communities within which we operate. We are committed to addressing the concerns of vulnerable and marginalized groups through targeted CSR initiatives. Our CSR policy focuses on five thrust areas where activities are planned and engagements take place in those focus areas. a) Woman empowerment b) Rural and urban infrastructure c) Education d) Health & Poverty eradication e) National Heritage f) Environment and Sustainability

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2025-26			FY2024-25		
	Total (A)	No. of employees' workers covered (B)	% (B / A)	Total (C)	No. of employees' workers covered	% (D / C)
Employees						
Permanent	1313	1313	100%	1240	1240	100%
Other than permanent	220	0	-	213	0	-
Total Employees	1533	1313	86%	1453	1240	85%
Workers						
Permanent	1189	1082	91%	1234	1234	100%
Other than permanent	2618	0	0%	2924	186	6%
Total Workers	3807	1082	28%	4158	1420	34%

2. Details of Minimum wages paid to Employees and workers in the following format

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum wages		More than Minimum Wages		Total (D)	Equal to minimum wages		More than Minimum Wages	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1235	0	-	1235	100%	1158	0	-	1158	100%
Female	78	0	-	78	100%	82	0	-	82	100%
Total	1313	0	-	1313	100%	1240	0	-	1240	100%
Other than Permanent										
Male	208	0	-	208	100%	207	0	-	207	100%
Female	12	1	8%	11	92%	6	0	-	6	100%
Total	220	1	0.5%	219	100%	213	0	-	213	100%
Workers										
Permanent										
Male	1187	0	-	1187	100%	1232	0	-	1232	100%
Female	2	0	-	2	100%	2	0	-	2	100%
Total	1189	0	-	1189	100%	1234	0	-	1234	100%
Other than Permanent										
Male	2411	2411	100%	0	-	2726	2726	100%	0	-
Female	207	207	100%	0	-	198	198	100%	0	-
Total	2618	2618	100%	0	-	2924	2924	100%	0	-

3. Details of remuneration/salary/wages.

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	Rs. 502.95 Lakhs	1	Rs. 465.72 Lakhs
Key Managerial Personnel#	2	Rs. 40.55 Lakhs	0	-
Employees other than BoD and KMP	1231	Rs. 5.34 Lakhs	77	Rs. 4.55 Lakhs
Workers	1187	Rs. 2.32 Lakhs	2	Rs.2.38 Lakhs

* Managing Directors and Executive Directors

Excludes Directors

Note: The calculation methodology has been revised; accordingly, the values are not comparable with the previous year.

b. Gross wages paid to females as % of total wages paid by the entity, in the following formats:

	FY2025-26	FY2024-25
Gross wages paid to females as % of total wages.	5.91%	5.01%

Note: The current year calculation includes contractual workforce; however, for FY 2024-25, it covered only the permanent workforce.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Human Resources (HR) function acts as a focal point addressing human rights impacts and issues arising from our operations. We encourage our employees and workers to report violations of human rights.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

CERA has established policies, including the Policy on Sexual Harassment of Employees, Policy on Child Labour & Forced Labour, and Business Ethics & Labour Policy, to demonstrate zero tolerance for human rights violations. These policies serve as a guiding framework to address grievances related to human rights issues and other internal matters. Additionally, we maintain regular dialogue with worker union representatives to address concerns, promote welfare, and foster a collaborative work environment.

Employees and workers are encouraged to directly reach out to the Human Resource team regarding any concerns or grievances related to human rights issues. CERA has implemented a Whistle-Blower policy, which is designed to encourage employees, workers, and other stakeholders to report any human rights violations or concerns without fear of retaliation. This policy ensures confidentiality and provides the necessary safeguards for whistle-blowers, creating a secure channel for voicing concerns. These initiatives foster a workplace that ensures the well-being and dignity of our employees.

6. Number of Complaints on the following made by employees and workers:

	FY2025-26			FY2024-25		
	Filed during the year	Pending resolution at the End of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour /Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Safety Incident/Number	FY2025-26	FY2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

CERA is committed to fostering a respectful and safe workplace, where all employees can perform their roles free from discrimination and harassment. We have established internal mechanisms to safeguard against and address grievances related to discrimination and harassment, ensuring the protection of complainants from adverse consequences. Further, our internal compliance committee (ICC) is dedicated to addressing complaints related to sexual harassment and provides a confidential platform for employees to report issues without fear of retaliation. It ensures that the identities of both the complainant and the accused are protected throughout the investigation process. As part of awareness and prevention, CERA communicates its POSH (Prevention of Sexual Harassment) policy to all employees. Additionally, during the induction program, new employees are provided with awareness and training on the POSH policy ensuring they understand the company's commitment to a safe and respectful workplace. We also provide access to the SHEBOX platform, enabling any employee or worker to confidentially report incidents of discrimination or harassment, which are promptly addressed.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

While our company's contracts may not explicitly include all human rights clauses, we actively engage with and encourage our business partners, suppliers, and dealers to uphold responsible and ethical standards, complying with all relevant laws and regulations.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

Note: Local government authorities conduct periodic assessments at the plant, at least once every quarter, focusing on human resource and labour law aspects.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant hazards or issues were identified through the company's human rights evaluations, thus negating the need for corrective actions.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There were no instances of human rights violations, and as a result, no business processes were modified.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

CERA is diligent in implementing its human rights policy and educating its workforce on the importance of human rights in the workplace. However, the company has not conducted human rights due diligence during the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

While the accessibility of our workplace may not fully comply with the Rights of Persons with Disabilities Act, 2016, we take all necessary steps to ensure that our premises do not cause any inconvenience for differently-abled visitors. Our

manufacturing facility features accessible infrastructure and supportive amenities, available to provide assistance on arrival during visits. Further, we conduct employee sensitization programs to raise awareness on the needs of differently-abled individuals, enabling our employees to offer appropriate assistance when needed.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	The Company has not undertaken any such assessment for value chain partners but plans to do it in upcoming years.
Discrimination at workplace	
Child labour	
Forced Labour/Inventory Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (Giga Joules) and energy intensity, in the following format:

Parameter	FY2025-26	FY2024-25
From renewable sources		
Total electricity consumption (A)	47,388	46,809
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	47,388	46,809
From non-renewable sources		
Total electricity consumption (D)	26,581	29,430
Total fuel consumption (E)	2,95,870	3,43,689
Energy consumption through other sources (F) (waste heat)	18,612	20,054
Total energy consumed from non-renewable sources (D+E+F)	3,41,064	3,93,174
Total energy consumed (A+B+C+D+E+F)	3,88,452	4,39,983
Energy intensity per rupee of turnover (Total energy consumed / Lakh of revenue from operations)	1.89	2.30
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Lakh of revenue from operations adjusted for PPP)	38.54	47.46
Energy intensity in terms of physical output per ton of production	15.14	16.18
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

CERA has engaged the Energy Management System, Ahmedabad for conducting Energy Audit.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2025-26	FY2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	71,002	79,410
(iii) Third party water	85,201	85,195
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,56,203	1,64,605
Total volume of water consumption (in kilolitres)	1,48,650	1,51,040
Water intensity per rupee of turnover (Total Water consumption / Lakh of revenue from operations)	0.73	0.79
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Lakh of revenue from operations adjusted for PPP)	14.75	16.29
Water intensity in terms of physical output per ton of production	5.79	5.55
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

CERA has engaged National Productivity Council Gandhinagar for conducting Water Audit Study.

4. Provide the following details related to water discharged:

Parameter	FY2025-26	FY2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With Treatment – please Specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment.	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment.	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment.	0	0
(v) Others		
- No treatment	0	0
- With treatment – Please specify level of treatment.	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, CERA has implemented a Zero Liquid Discharge (ZLD) mechanism within our manufacturing facility. This comprehensive system ensures that all wastewater generated is treated and recycled or reused, with no discharge into the environment. We have achieved ZLD by implementing:

We have implemented advanced wastewater treatment systems to support responsible water management and achieve Zero Liquid Discharge (ZLD) at our manufacturing units:

Effluent Treatment Plants (ETPs): Two ETPs with a total capacity of 710 KLD. The treated water is further purified via Reverse Osmosis (RO), and the RO reject is recirculated into the ETPs through a closed-loop system to maximize reuse.

Sewage Treatment Plants (STPs): Two STPs with a combined capacity of 140 KLD handle on-site domestic sewage treatment.

ZLD Commitment: Our commitment to ZLD is reinforced through the installation of a Multiple Effect Evaporator (MEE) for high-TDS wastewater treatment, alongside ozonators and RO units, to ensure responsible water discharge and maintain rigorous quality standards.

A major portion of the treated water is reused in key production processes such as mould making, slip preparation, glaze preparation, casting, and in chillers. The remaining treated water is utilized for gardening and landscaping. (75% - plant operation use; 25% - domestic use) We have achieved zero external discharge from our manufacturing operations and conducted water audit, reflecting our commitment to sustainable water management and environmental protection.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2025-26	FY2024-25
NOx	mg/Nm ³	2.39	3.97
SOx	ppm	-	-
Particulate matter (PM)	ppm	8	17
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The Company has engaged Happy Associate (Enviropious EHS Solution) as agency to carry out assessment.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2025-26	FY2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	16,782	19,832
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,242	5,943
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Lakh of revenue from operations)	tCO ₂ e/Lakhs	0.11	0.13
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Lakh of revenue from operations adjusted for PPP)	tCO ₂ e/Lakhs	2.19	2.78
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/ Ton of production	0.86	0.95
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

CERA has initiated Non-Conventional Energy generation project since 1995, harnessing wind and solar power to produce 10.325 MW of energy. Today, our manufacturing plants in Gujarat fulfil about 64% of electricity requirements through non-conventional captive generation. To further improve efficiency, we have partly replaced our existing solar panels with newer ones, enhancing the overall performance of our renewable energy systems. At our Kadi factory premises, we host a dedicated R&D unit recognized by the Department of Scientific and Industrial Research (DSIR). This unit spearheads initiatives to minimize fuel consumption, driving efficiency improvements throughout our operations.

Energy audits were conducted at our locations, which helped identify energy-saving opportunities for energy conservation and cost reduction. The recommendations from these audits are implemented based on priority.

Optimizing energy efficiency and emission reduction

Fuel	Electrical	Mechanical
Automation and control improvements were implemented through auto ON-OFF valves, burner/kiln timers, and pressure-based gas booster control.	Extensive timer installations across plant equipment (HF plant, coolers, mixers, conveyors) to optimize runtime.	Equipment modifications and upgrades such as higher-capacity dryers, slip blunger belt changes, and agitator timer pilots enhanced efficiency.
Optimization of gas usage included prioritizing GAIL gas for generator usage and utilizing waste heat in dryers.	Replacing tube lights with sensor-based lighting and disconnecting idle equipment.	Transition to energy-efficient components, including IE3 motors and delta-to-star conversion for multiple agitators.
Equipment-level efficiency measures like damper adjustments and mould-weight-based burner shutdown were introduced.	Control enhancements via remote ON/OFF switches and interlocks (e.g., pitcher ball mill with compressor) reduced unnecessary consumption.	Process streamlining with improved shuttle kiln loading and blower-airline interlocking helped reduce mechanical load and improve safety.

Moreover, frequent monitoring of energy consumption enables us to swiftly identify inefficiencies and optimization opportunities. This approach aids in informed decision-making towards energy conservation and cost reduction.

9. Provide details related to waste management by the entity, in the following format: -

Parameter	Units	FY2025-26	FY2024-25
Plastic waste (A)	Tons	20.20	22.79
E-waste (B)	Tons	0.55	2.85
Bio-medical waste (C)	Tons	-	-
Construction and demolition waste (D)	Tons	-	-
Battery waste (E)	Tons	4.35	0.89
Radioactive waste (F)	Tons	-	-
Other Hazardous waste. Please specify, if any. (G) (Sludge, used oil, glaze, dross)	Tons	864.72	1,351.68
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (Pitcher powder, metal scrap, clay, sand, chips, tiles, etc.)	Tons	16,621.36	17,606.25
Total waste generated (A+B + C + D + E + F + G + H)	Tons	17,511.71	18,984.44
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Tons/Lakh	0.09	0.10
Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	Tons/Lakh	1.74	2.05
Waste intensity in terms of physical output per tons of production	Tons/Tons	0.68	0.70
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-	-

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter		FY2025-26	FY2024-25
Category of waste			
(i) Recycled	Tons	8,637.31	9198.00
(ii) Re-used	Tons	797.50	1302.33
(iii) Other recovery operations	Tons		-
Total	Tons	9,434.81	10,500.33

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste			
(i) Incineration	Tons		-
(ii) Landfilling	Tons		-
(iii) Other disposal operations (Authorised vendors and scrap treatment)	Tons	8,076.36	8,484.11
Total	Tons	8,076.36	8,484.11

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- 10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

CERA demonstrates its commitment to environmental responsibility by implementing ISO 14001:2018 at its manufacturing unit. We utilize earth-sourced inert materials to manufacture durable, safe, and stable products with minimal hazardous by-products. The waste generated from our operations is recycled wherever it is feasible. We have well-defined SOPs in place to handle the waste generated from our operations, employees and workers are trained on these SOPs. The necessary infrastructure is provided for the activities such as segregation, storage, and disposal of waste. All the hazardous waste such as used oil, empty carboys, is disposed of by authorized vendors. A notable area where our waste management practices have yielded significant improvements is in the ETP at our faucetware unit.

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company has not conducted any environmental impact assessments in the current financial year.					

- 13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company is compliant with all the applicable environmental laws.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY2025-26	FY2024-25
Water withdrawal by source (in Kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Total Water consumed / Lakhs of revenue from Operation)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY2025-26	FY2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Cera has engaged National Productivity Council Gandhinagar for conducting Water Audit Study.

2. Provide the details of total Scope 3 emissions & its intensity, in the following format: Not Applicable

Parameter	Unit	FY2025-26	FY2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reuse and Recycling. Conserving natural resources by reusing and recycling of the waste	The Company reuses majority of the waste and has recycling process to reduce paper, plastic and other waste. The Company has also appointed waste management agencies.	Decrease in raw material cost and less waste is generated
2	Installing Rain Water Harvesting system	The Company has installed rain water harvesting system which helps conserve majority of water. Water and Energy conservation training sessions are held for employees.	Water conservation has improved, and dependency on groundwater has reduced by 10%. Based on piezometer-based testing, the rainwater harvesting initiative has contributed to a 15m groundwater recharge.
3	Renewable resources	The Company's electricity needs are predominantly met by the wind turbines and solar plants, which collectively contribute to 64% of our total electricity requirement. This significant investment in renewable energy sources underscores our commitment to sustainability and reducing our environmental footprint.	Less emissions generated. Lower dependency on thermal energy.
4	Enhancing operational efficiency through equipment upgrades	Timing and automation upgrades in machinery have improved energy efficiency and enhanced overall production performance.	Reduced the energy consumption and resultant emissions.
5	Timer control	Timer controlled electrical equipment operations like HF Plant, water coolers, ACs, street light etc.	Reduces the unnecessary consumption of the electricity
6	Improvement in power factor	Installation of automatic power factor bank.	Enhances energy efficiency and reduces operational costs by improving the power factor of electrical systems
7	Sanitaryware Robotic Pressure Casting	Implementation of robotic pressure casting systems to produce high-end sanitaryware in large quantities.	Significantly increases production efficiency, enhances product quality, and supports large-scale manufacturing to meet growing market demand.
8	Sanitaryware Robotic Glazing	Integration of robotic glazing technology to ensure smooth surface finishes with minimal wastage of materials.	Reduces material waste, improves surface quality, and enhances operational sustainability by optimizing the glazing process.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a plan for disaster management and business continuity. The Risk Management Committee plays a crucial role in formulating the Company's risk management plans for business continuity. We have location-based emergency response plans, which include periodic mock drills against events such as fire and earthquake. Regular drills and training sessions ensure our team is well-prepared to act swiftly and efficiently in the face of disasters. Our highly experienced team with the right mix of people, and frequent knowledge exchange sessions between leadership team and plant representatives, ensure the highest product quality, desired production levels and no disruptions in any business functions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. Nil

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. Nil

8. How many Green Credits have been generated or procured:-

a) By the listed entity – Nil

b) By the top ten value chain partners (in terms of value of purchases and sales, respectively) – Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The company is affiliated with six trade and industry chambers and associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Gujarat Chamber of Commerce & Industries	State
2	Indian Council of Sanitaryware Manufacturers	National
3	Indian Green Building Council Promoted by CII	National
4	Kadi Industrial Association	State
5	Indian Plumbing Association	National
6	Institute of Indian Interior Designers	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

Leadership Indicators

1. Details of public policy positions advocated by the entity.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Issues relating to ceramic Industries, evolving new standards for finished products and raw materials for human safety and environmental protection.	Through affiliations with industry associations such and direct participation in meetings with statutory agencies.	No	As and when required	Not Applicable

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In Rs.)
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Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

CERA has established mechanism for receiving and addressing community grievances involving regular interaction between our Human Resources (HR) and Corporate Social Responsibility (CSR) teams with community members. This proactive approach is designed to identify and address any concerns that may arise within the communities in which we operate.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2025-26	FY2024-25
Directly sourced from MSMEs/ small producers	57%	65%
Directly from within India	95%	86%

5. Job creation in smaller towns-Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.

Location	FY2025-26	FY2024-25
Rural	1.15%	0.00%
Semi-Urban	39.23%	49.10%
Urban	34.23%	16.21%
Metropolitan	25.39%	34.69%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In Rs.)
We have not undertaken any CSR projects under any of the aspirational districts			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
 (b) From which marginalized /vulnerable groups do you procure? Not Applicable
 (c) What percentage of total procurement (by value) does it constitute? Not Applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
1	Healthcare & Poverty	68,909	Majority of the Company's CSR activities benefit individuals from vulnerable and marginalized groups.
2	National Heritage Project	15,000	
3	Promoting Education	4,590	
4	Rural Development	1,150	
5	Promoting Sports	5,000	
6	Environment Awareness	9,600	
7	Women Empowerment	63	

*Approximate annual beneficiaries.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our company has established several mechanisms to efficiently receive and respond to consumer complaints and feedback, ensuring high customer satisfaction and loyalty. These mechanisms include:

- ❖ **After-sales support:** CERA has established 13 service offices across the country, with 43 officers & executives overseeing a team of 458 technicians who are dedicated to attending to complaints and providing service in every state. The company also conducts periodical training for its technicians to ensure better quality service and product knowledge. CERA provides a mobile app for customer support to enhance communication and service efficiency.

- ❖ **24-Hour toll-free number (IVR System):** We offer a toll-free number that operates around the clock, allowing consumers to easily reach out to us with their concerns and feedback at any time. Also, based on our own records, we address grievances reported from A & B Category cities under 48-hour window, which is considered the lowest in the industry.
- ❖ **Consumer satisfaction surveys:** To gauge consumer satisfaction levels and identify emerging trends, we conduct periodic surveys. These surveys provide valuable insights that help us continuously improve our products and services.
- ❖ **Management review:** The survey system and consumer feedback mechanisms are periodically reviewed by our management team. This ensures that consumer insights are effectively integrated into our business strategies and operations.

Through these comprehensive approaches, our company maintains strong customer relationships, generates positive word-of-mouth publicity, and continually enhances our offerings based on consumer feedback.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not applicable

3. Number of consumers complaints in respect of the following:

	FY2025-26			FY2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other*	29,401	3,670	-	20,817	1,547	-

(* Consumer complaints regarding products)

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

The Company maintains a robust information security management policy, encompassing data protection, and secure email, web, and network practices. To safeguard against unauthorized access, we implement an access control policy enhanced with two-factor authentication. Further bolstering our security measures, we employ multiple security controls including firewalls, endpoint protection, and web protection, aimed at mitigating data attacks and threats, ensuring the integrity and confidentiality of our data.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

c. Impact, if any, of the data breaches

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Customers can access detailed information on our products and services through various channels:

- ❖ **Company's website:** Our main platform for providing comprehensive information about our products and services is our website, available at www.cera-india.com.

Additionally, information is disseminated through:

- ❖ **Dealer network:** Our extensive dealer network across regions offers personalized assistance and information on our offerings.
- ❖ **Display boards and exhibitions:** We utilize display boards at strategic locations and participate in exhibitions to showcase our products and innovations.
- ❖ **Catalogues and advertisements:** Printed and digital catalogues, along with advertisements in various media, serve to inform and engage potential customers about our latest products and services.
- ❖ **Social media:** We leverage major social media platforms to showcase our products, engage with customers, and build a vibrant online community.
- ❖ **Brand Stores:** We undertook a complete transformation of its brand stores. These include CERA Style Galleries, CERA Style Hub, CERA Style Centre, and CERA Tile Centres. This initiative has enhanced customer experience, creating a strong brand pull and aiding in better decision-making.
- ❖ **Company-Owned Studios:** In recent years we have opened a 13 company-owned studio in major cities of India, further expanding its retail presence and providing customers with immersive product experiences.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

CERA adopts a multi-channel approach to promote the safe and responsible use of its products. All product packaging is designed with clear, concise instructions, and each unit is accompanied by a comprehensive user manual that includes safety precautions, usage guidelines, and maintenance tips to ensure correct handling. Our dedicated customer support team is readily available to address any questions or concerns about product safety and responsible usage, offering personalized guidance to ensure consumer well-being. The CERA Superstar Retailer program has seen strong participation with 29000+ retailers enrolled, while the CERA Star Plumber initiative successfully onboarded 73000+ plumbers. This enables them to effectively guide customers during purchase decisions and provide informed support after the sale. The initiative has been instrumental in fostering long-term relationships and boosting sales performance, while also promoting responsible product usage.

Dedicated customer service teams assist retailers, builders, and consumers with product selection, safe application, and troubleshooting. Retail & Showroom Engagement, as in-store product specialists educate walk-in customers about the benefits and correct usage of Sanitaryware, tiles, bathroom accessories and allied products. This combination of direct-to-consumer communication and an informed retail network helps us build a responsible, well-informed customer base, aligned with our commitment to consumer well-being.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As none of our products are classified as essential services, the mechanism for informing consumers of any risk of disruption or discontinuation of services is not applicable to our operations.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

The Company displays information as per applicable laws and regulations only. All its product packaging contains details in accordance with the requirements of the Legal Metrology Act and as per the requirements of ISO 15622: 2017 specified by the Bureau of Indian Standards (BIS).

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, CERA routinely conducts consumer surveys to gauge customer satisfaction.

Ahmedabad
8th May 2026

Vikram Somany
Chairman and Managing Director
(DIN: 00048827)

ANNEXURE - VIII TO THE DIRECTORS' REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

for the financial year ended on March 31, 2026

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

To,
The Members,
CERA SANITARYWARE LIMITED
CIN: L26910GJ1998PLC034400
9, GIDC Industrial Estate,
Kadi, Mehsana- 382715,
Gujarat, India.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the financial year under review;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the year under review;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 - regarding the Companies Act and dealing with client;
 - (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable during the year under review;
 - (g) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
 - (h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the year under review;

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

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

We further report that:

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Independent Director. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

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

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

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its

officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

We further report that:

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

We further report that:

During the Audit period under review:

1. On 5th June 2024, the Company had granted 14,950 options to eligible employees under the 'Cera Sanitaryware - Employee Stock Option Scheme 2024'. In line with the vesting schedule 1,496 options (i.e. 10% of total options) vested on 5th June 2025. In the reporting year total 1,406 options have been exercised by the employees.
2. The Company has divested its entire stakes in 'Race Polymer Arts LLP' and 'Packcart Packaging LLP', both of which were subsidiary LLPs of the Company. As a result, both LLPs ceased to be subsidiaries of the Company effective from 29th September 2025.

Further, there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction etc.
- e) Foreign technical collaborations.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UMESH PARIKH
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 6576/2025
Place : Ahmedabad
Date : 08/05/2026

FCS No.:4152 C. P. No.: 2413
UDIN: F004152H000310581

Note:

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

ANNEXURE – A

To,
The Members,
CERA SANITARYWARE LIMITED
CIN: L26910GJ1998PLC034400

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

UMESH PARIKH
PRACTICING COMPANY SECRETARY
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 6576/2025
FCS No.:4152 C. P. No.: 2413
UDIN: F004152H000310581

Place : Ahmedabad
Date : 08/05/2026

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Cera Sanitaryware Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of Cera Sanitaryware Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the financial statements'

section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
A) Allowance for Expected Credit Losses (ECL) As at 31 st March 2026, the carrying amount of Trade Receivables aggregated Rs. 27386.93 Lakhs (net of Expected credit loss of Rs. 1538.88 Lakhs) constituting a significant component of the Company's Total Assets. The allowance for expected credit losses ("ECL") on such Trade Receivables is a critical estimate involving greater level of management judgement.	Our Audit procedures related to the allowance for expected credit losses for trade receivables included the following, among others: ● We tested the effectiveness of controls over the: ▪ Development of the methodology and model for the allowance for credit losses, including consideration of the current and estimated future economic conditions; ▪ Completeness and accuracy of information used in the estimation of probability of default; and ▪ Computation of the allowance for credit losses.

Key audit matters	How our audit addressed the key audit matter
The Company has made provision for / (Reversal of) Expected Credit Losses in respect of trade receivables aggregating to Rs. 1538.88 lakhs up to 31st March, 2026 (including Rs. 179.17 Lakhs during the year). These are based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to entities the Company deals with. In calculating expected credit loss, the Company has also considered credibility of its customers to estimate the probability of default in future. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgement in calculating the expected credit losses. Refer Notes No. 12, 37 and 41 to the financial statements.	● For a few customers, we tested the past history of dealings with them and other credit related information used in estimating the probability of default by comparing them to external and internal source of information. ● We carried out detailed analysis of balances of trade receivables (i) where no legal actions have been taken so far, if any, by the Company and the reasons thereof, (ii) where legal actions have been taken and the allowance for ECL has been partially / fully made and considered the reasons thereof, and (iii) where legal actions have been taken but no allowance for ECL has been made, if any, and the reasons thereof. ● Assessed the adequacy of allowance for ECL recorded and evaluated disclosures in the financial statements in relation to these items. ● Verified Balance Confirmations directly received by us from few selected trade receivables of the Company and also examined reconciliations / discrepancies, if any. ● We carried out analysis of those trade receivables where there is significant increase in credit risk and also reviewed the ageing of the trade receivables pertaining to current and immediately preceding years.
B) Revenue recognition – Discounts, incentives and volume rebates Revenue is measured net of discounts, incentives, rebates etc. given to the customers on Company's sales. Due to Company's presence across different marketing zones within the country and the competitive nature of the business makes the assessment of various type of discounts, incentives and volume rebates as complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of variations in the assessment of discounts, incentives and volume rebates. Given the complexity and judgement required to assess the provision for discounts, incentives and rebates, this is considered as a key audit matter.	Our Audit procedures related to Revenue recognition included the following, among others: ● Assessed the Company's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable accounting standards. ● Assessed the design and implementation and testing the operating effectiveness of Company's internal controls over the provisions, approvals and disbursements of discounts, incentives and volume rebates. ● Reviewed Company's computation for accrual of discounts, incentives and volume rebates, on a test basis, and compared the accruals made with the approved schemes and underlying documents. ● Verified on test basis, the underlying documents for the various schemes for discounts, incentives and volume rebates recorded and disbursed during the year. ● Compared the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to assess the current year accruals. ● Examined the manual journals posted to discounts, rebates and incentives to identify unusual or irregular items, if any. ● Assessed disclosures in financial statements in respect of revenue recognition as specified in Ind AS 115.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 47 (b) to the financial statements;
 - (ii) The Company has accounted for material foreseeable losses for long term contracts, if any. The Company did not have any long term derivative contracts.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the financial statements, if any, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether,

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented, that, to the best of their knowledge and belief, other than as disclosed in the notes to the financial statements, if any, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (v) The dividend declared or paid during the year as well as the dividend proposed (which is subject to members approval at the ensuing Annual General Meeting) by the Company are in compliance with Section 123 of the Act.

- (vi) As per the information and explanations provided to us by the management and based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Sudesh Choraria

Partner

Membership No: 204936

UDIN: 26204936IMNPXJ6675

Date: May 08, 2026

Place: Mumbai

ANNEXURE – A to the Independent Auditor's Report of even date to the members of Cera Sanitaryware Limited on the Financial Statements as of and for the year ended March 31, 2026

(Referred to in paragraph 1 of our Report on Other legal and regulatory requirements)

We report that:

i. In respect of its Property Plant and Equipment and Intangible Assets:

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) As explained to us, the Company has a regular program of conducting physical verification of its property, plant and equipment in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.
- c) According to the information and explanations given to us and on the basis of our examination, title deeds of the immovable property (other than self - constructed immovable property (buildings), and where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in schedule of Property, Plant and Equipment to the financial statements, are held in the name of the Company.
- d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e) According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.

ii. In respect of its Inventories:

- a) As per information and explanations provided to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of raw materials, work in progress, finished goods, traded goods

and by products (other than inventories lying with third parties), and no material discrepancies were noticed on such physical verification.

- b) Based on our examination of the books of accounts of the Company, with respect to the sanctioned working capital limits availed in excess of Rs. five Crore from banks or financial institutions during the year on the basis of security of current assets of the Company, the Quarterly return / statements have been regularly submitted by the company and no material discrepancies were noticed.

iii. a) The Company has not provided any guarantee or security or granted loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

- b) The investments made are, in our opinion, prima facie, not prejudicial to the company's interest. The Company has not provided any guarantee or security or granted loans or advances in the nature of loans during the year.

c) The Company has not granted any loans or advances in the nature of loans during the year therefore the provisions of clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the investments made. The Company has not given any loans, provided any guarantee or security during the year.

v. According to the information and explanations given to us and based on our examination of the books of accounts, the Company has not accepted any deposits from the public or amount which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended).

vi. We have broadly reviewed the cost records maintained by the Company in respect of products for which maintenance of prescribed cost records is mandated by Government of India u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and the records of the Company examined by us:

- a) the Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable. There were no material undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
- b) The particulars of dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory that have not been deposited on account of any dispute, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount in dispute (Net of Advances Paid) (Rs. in Lakhs)	Period to which the amount relates (FY.)	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	2869.70	2019-20 2023-24	CIT-Appeals
2	Central Excise Act, 1944	Service Tax	68.18	2014-15, 2015-16 and 2016-17	CESTAT
3	Goods & Services Act, 2017	GST, Gujarat	14.13	2017-18 2019-20	GST Commissioner (Appeals)
4		GST, Uttar Pradesh	2.15	2021-22	GST Commissioner (Appeals)
5		GST, Telangana	103.04	2018-19, 2019-20, 2020-21, 2021-22 & 2022-23	GST Commissioner (Appeals)
6		GST, Karnataka	40.52	2018-19 2019-20	GST Commissioner (Appeals)
7		GST, Tamilnadu	7.26	2017-18	GST Commissioner (Appeals)
8		GST, New Delhi	23.25	2019-20 2020-21	GST Commissioner (Appeals)
9		GST, Andhra Pradesh	44.58	2019-20	GST Commissioner (Appeals)
10		GST, Orissa	16.90	2018-19	GST Commissioner (Appeals)

viii. According to the information and explanation given to us and based on examination of the Tax assessment orders, there were no transactions which have not been recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

- ix. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank, Government or debenture holders.
- b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any term loans outstanding from banks and financial institutions. Further the Company has not availed any loans from Government or has not issued any debenture during the year.

- d) Based on the information and explanation given to us, and the books of account examined by us, short term funds raised during the year have not been utilized for long term purposes.
- e) Based on the information and explanation given to us, and the books of account examined by us, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Thus, the provisions of clause 3(x)(a) of the order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- xi. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- xiv. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business; We have considered internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi)(a) of the Order is not applicable to the Company.
- b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company;
- c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company;
- d) According to the representations given by the management, the Company does not have any CIC. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company;
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of Corporate Social Responsibility Expenditure:

- a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of CSR Expenditure other than ongoing CSR projects, there were no amount remaining unspent u/s 135 (5) of the Companies Act, hence no amount was required to be transferred to a Fund specified in Schedule VII to the Companies Act.

- b) In our opinion, there are no ongoing projects towards Corporate Social Responsibility (CSR) requiring a transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Sudesh Choraria

Partner

Membership No: 204936

UDIN: 26204936IMNPXJ6675

Date: May 08, 2026

Place: Mumbai

ANNEXURE – B to the Independent Auditor’s Report of even date to the members of Cera Sanitaryware Limited on the Financial Statements as of and for the year ended March 31, 2026

(Referred to in paragraph 2 (f) of our Report on Other legal and regulatory requirements)

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

1. We have audited the internal financial controls over financial reporting of Cera Sanitaryware Limited (‘the Company’) as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and

maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Sudesh Choraria

Partner

Membership No: 204936

UDIN: 26204936IMNPXJ6675

Date: May 08, 2026

Place: Mumbai

BALANCE SHEET as at 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 st March, 2026	As at 31 st March, 2025
ASSETS			
(1) Non- current Assets			
(a) Property, Plant and Equipment	4	33,096.25	33,459.50
(b) Capital work-in-progress	4	719.53	1,072.47
(c) Investment Property	5	108.80	149.08
(d) Right-of-use assets	46(i)	3,953.60	4,326.47
(e) Other Intangible Assets	6	48.04	61.12
(f) Financial Assets			
(i) Investments			
- Investments in Subsidiaries	7	-	600.78
- Other Investments	7	1,380.71	2,393.73
(ii) Other Financial Assets	8	354.68	471.69
(g) Other Non-current Assets	9	250.26	579.96
Total Non-current Assets		39,911.87	43,114.80
(2) Current Assets			
(a) Inventories	10	39,576.56	40,581.93
(b) Financial Assets			
(i) Investments	11	80,120.32	67,174.19
(ii) Trade Receivables	12	27,386.93	26,796.41
(iii) Cash and Cash Equivalents	13	1,284.72	411.84
(iv) Other Balances with Banks	14	3,521.66	2,208.42
(v) Other Financial Assets	15	252.03	291.38
(c) Other Current Assets	16	3,457.39	3,512.45
(d) Current Tax Assets (Net)	17	308.81	-
Total Current Assets		1,55,908.42	1,40,976.62
Total Assets		1,95,820.29	1,84,091.42
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	644.88	644.88
(b) Other Equity	19	1,46,588.97	1,34,389.44
Total Equity		1,47,233.85	1,35,034.32
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	46(iii)	3,678.73	4,009.00
(ii) Other Financial Liabilities	20	3,148.87	3,014.46
(b) Provisions	21	831.97	1,043.43
(c) Deferred Tax Liabilities (Net)	22	4,323.85	3,885.43
Total Non-current Liabilities		11,983.42	11,952.32
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	87.22	1,553.52
(ii) Lease Liabilities	46(iii)	903.91	781.88
(iii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	24	12,587.93	8,184.95
- total outstanding dues of creditors other than micro enterprises and small enterprises	24	9,405.76	10,912.11
(iv) Other Financial Liabilities	25	9,540.08	10,043.04
(b) Other Current Liabilities	26	2,990.11	3,409.48
(c) Provisions	27	1,088.01	1,819.20
(d) Current Tax Liabilities (Net)	28	-	400.60
Total Current Liabilities		36,603.02	37,104.78
Total Equity and Liabilities		1,95,820.29	1,84,091.42

Material Accounting Policies

3

The accompanying notes are integral part of these Financial Statements.

As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
(Firm Registration No. : 302049E)

Vikram Somany
Chairman & Managing Director
DIN: 00048827

Sudesh Choraria
Partner
Membership No. 204936

Vikas Kothari
Chief Financial Officer
Mem. No. ACA 114368

Deepshikha Khaitan
Vice Chairman & Joint Managing Director
DIN: 03365068

Place: Ahmedabad
Date: 8th May, 2026

Hemal Sadiwala
Company Secretary
Mem. No. ACS 20741

Anupam Gupta
Executive Director (Technical)
DIN: 09290890

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 st March, 2026	Year ended 31 st March, 2025
INCOME			
Revenue from Operations	29	2,05,011.98	1,91,525.12
Other Income	30	5,285.91	6,249.84
Total Income		2,10,297.89	1,97,774.96
EXPENSES			
Cost of Materials Consumed	31	26,625.14	25,172.73
Purchases of Stock-in-Trade	32	75,941.12	69,457.79
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	1,264.12	(3,669.16)
Employee Benefits Expense	34	25,943.24	24,154.29
Finance Costs	35	646.78	711.57
Depreciation and Amortization Expense	36	3,865.75	3,851.49
Other Expenses	37	48,319.81	47,336.58
Total Expenses		1,82,605.96	1,67,015.29
Profit before exceptional items and tax		27,691.93	30,759.67
Exceptional Items	55	(780.68)	(150.43)
Profit before tax		26,911.25	30,609.24
Tax Expense :	38		
(1) Current Tax		6,054.27	6,721.97
(2) Deferred Tax		438.42	(761.16)
Total Tax Expense		6,492.69	5,960.81
Profit for the year		20,418.56	24,648.43
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss remeasurements of the defined benefit plans		42.64	(119.06)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.73)	29.97
Total Other Comprehensive Income for the year (Net of Tax)		31.91	(89.09)
Total Comprehensive Income for the year		20,450.47	24,559.34
Earnings per equity share of face value of Rs. 5/- each			
(1) Basic (in Rs.)	39	158.31	190.40
(2) Diluted (in Rs.)	39	158.31	190.40
Material Accounting Policies	3		

The accompanying notes are integral part of these Financial Statements.

As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
(Firm Registration No. : 302049E)

Vikram Somany
Chairman & Managing Director
DIN: 00048827

Sudesh Choraria
Partner
Membership No. 204936

Vikas Kothari
Chief Financial Officer
Mem. No. ACA 114368

Deepshikha Khaitan
Vice Chairman & Joint Managing Director
DIN: 03365068

Place: Ahmedabad
Date: 8th May, 2026

Hemal Sadiwala
Company Secretary
Mem. No. ACS 20741

Anupam Gupta
Executive Director (Technical)
DIN: 09290890

STATEMENTS OF CHANGES IN EQUITY for the year ended 31st March, 2026
(All amounts are in rupees lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	2025-26		2024-25	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares outstanding at the beginning of the year	1,28,97,541	644.87	1,30,05,874	650.29
Changes in equity share capital due to prior period items	-	-	-	-
Restated balance at the beginning of the year	1,28,97,541	644.87	1,30,05,874	650.29
Changes in equity share capital during the year	-	-	(1,08,333)	(5.42)
Equity shares outstanding at the end of the year	1,28,97,541	644.87	1,28,97,541	644.87

B. OTHER EQUITY

Particulars	Reserves and Surplus						Total
	Securities Premium	General Reserve	Retained Earnings	Treasury Shares #	Share Option Outstanding Reserve	Capital Redemption Reserve	Other Comprehensive Income (Actuarial Gain / (Loss))
Balance as at 1st April, 2025	-	60,468.76	74,648.44	(258.40)	309.96	5.42	1,34,389.44
Transferred from Retained Earnings	-	6,265.02	(6,265.02)	-	-	-	-
Dividend on Equity Shares	-	-	(8,381.77)	-	-	-	(8,381.77)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	42.64
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	(10.73)
Employee stock option expenses	-	-	-	-	249.37	-	249.37
Share options Exercised / Lapsed / Forfeited	-	-	-	-	(60.69)	-	(60.69)
Treasury Shares purchased	-	-	-	(155.02)	-	-	(155.02)
Treasury Shares exercised	-	-	-	97.17	-	-	97.17
Profit for the year	-	-	20,418.56	-	-	-	20,418.56
Balance as at 31st March, 2026	-	66,733.78	80,420.21	(316.25)	498.64	5.42	1,46,588.97
Balance as at 1st April, 2024	8,095.94	62,286.64	63,916.88	-	-	-	1,33,603.81
Transferred from Retained Earnings	-	6,113.35	(6,113.35)	-	-	-	-
Dividend on Equity Shares	-	-	(7,803.52)	-	-	-	(7,803.52)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	(119.06)
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	29.97
Buyback of Equity Shares incl. tax thereon @	(8,095.94)	(7,925.81)	-	-	-	-	(16,021.75)

STATEMENTS OF CHANGES IN EQUITY for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

B. OTHER EQUITY (Contd.)

Particulars	Reserves and Surplus							Total
	Securities Premium	General Reserve	Retained Earnings	Treasury Shares #	Share Option Outstanding Reserve	Capital Redemption Reserve	Other Comprehensive Income (Actuarial Gain / (Loss))	
Transferred to Capital Redemption Reserve on Buyback of Equity Shares	-	(5.42)	-	-	-	-	-	(5.42)
Transferred from General reserve on Buyback of Equity Shares	-	-	-	-	-	5.42	-	5.42
Employee stock option expenses	-	-	-	-	309.96	-	-	309.96
Treasury Shares held	-	-	-	(258.40)	-	-	-	(258.40)
Profit for the year	-	-	24,648.43	-	-	-	-	24,648.43
Balance as at 31st March, 2025	-	60,468.76	74,648.44	(258.40)	309.96	5.42	(784.74)	1,34,389.44

@ During the FY 2024-25 the Company did a buyback of 1,08,333 fully paid-up Equity Shares of the Company on a proportionate basis, through the tender offer route, at a price of Rs. 12000/- per Equity Share payable in cash. All valid bids for an amount aggregating to Rs. 12,999.96 Lakhs (excluding transaction cost and taxes) were settled and was adjusted against Securities Premium & General Reserve. All the equity shares bought back during the FY 2024-25 have been extinguished.

The Company has formed an Employee Welfare Trust for purchasing Company's shares to be allotted to eligible employees under Employees Stock Options Scheme, 2024 (ESOS 2024). These shares are treated as Treasury Shares and deducted from equity in accordance with Ind AS 32- "Financial Instruments: Presentation".

The accompanying notes are integral part of these Financial Statements.

As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
(Firm Registration No. : 302049E)

Vikram Somany
Chairman & Managing Director
DIN: 00048827

Sudesh Choraria
Partner
Membership No. 204936

Vikas Kothari
Chief Financial Officer
Mem. No. ACA 114368

Deepshikha Khaitan
Vice Chairman & Joint Managing Director
DIN: 03365068

Place: Ahmedabad
Date: 8th May, 2026

Hemal Sadiwala
Company Secretary
Mem. No. ACS 20741

Anupam Gupta
Executive Director (Technical)
DIN: 09290890

STATEMENTS OF CASH FLOWS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Year ended 31 st March, 2026		Year ended 31 st March, 2025	
A. Cash flows from operating activities				
Net Profit before tax		26,911.25		30,609.24
Adjustments for :				
Depreciation & Amortization	3,865.75		3,851.49	
Allowance for / (Reversal of) Expected Credit Loss - Trade Receivables	179.17		(15.90)	
Profit on Divestment of Share in Subsidiary	(553.50)		-	
Impairment Loss on Investment	-		150.43	
Amortization of Prepaid Rentals	22.59		20.81	
Bad Debts written off (Net)	26.66		67.34	
Finance Cost	646.78		711.57	
Interest on Security Deposit (Non Cash)	(20.96)		(18.61)	
Other Interest Received	(299.76)		(342.81)	
Foreign Exchange Fluctuations (Income) / Loss (Net)	31.88		16.95	
Profit on Sale of Investments	(68.06)		(312.77)	
Net Gain on Fair Valuation of Investments in Mutual Funds	(4,009.48)		(5,202.81)	
Compensation Expenses under Employees Stock Options Scheme	249.55		308.84	
Share Buy Back Expenses	-		181.55	
Liabilities & provisions no longer required, written back	(1.09)		(0.93)	
Credit Balances written back	(1,349.50)		(3,414.04)	
Loss / (Gain) on Foreign Currency Translation (Net)	(53.28)		(10.29)	
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	(55.06)		(77.64)	
Loss / (Profit) on Discard of Property, Plant and Equipment	10.51		223.30	
Share of Profit on Investment in LLP	(149.78)		(228.15)	
Loss / (Gain) on Termination of Lease	(6.08)		(38.84)	
		(1,533.66)		(4,130.51)
Operating profit before working capital changes		25,377.59		26,478.73
Adjustments for changes in working capital				
(Increase)/Decrease in Inventories	1,005.37		(4,718.27)	
(Increase)/Decrease in Trade Receivables	(796.35)		(6,713.66)	
(Increase)/Decrease in Other Financial Assets	51.90		(65.79)	
(Increase)/ Decrease in Other Assets	(234.24)		166.09	
Increase/(Decrease) in Trade Payable	2,896.63		892.26	
Increase/(Decrease) in Other Financial Liabilities	(367.46)		(2,347.37)	
Increase/(Decrease) in Provisions	(758.74)		195.83	
Increase/(Decrease) in Other Liabilities	930.13		3,374.47	
		2,727.24		(9,216.44)
Cash generated from operations		28,104.83		17,262.29
Income Taxes paid		(6,915.68)		(5,702.25)
Net cash generated by operating activities (Total-A)		21,189.15		11,560.04
B. Cash flow from Investing activities				
Payments for Property, Plant and Equipments, Capital Work-in-progress, Investment Property & Capital Advances	(2,090.13)		(2,739.30)	
Payments for Intangible Assets	(35.86)		(58.51)	
Proceeds from sale of Property, Plant and Equipments & Intangible Assets	120.45		124.14	
Proceeds / (Payments) from Debentures	1,002.06		-	
Proceeds / (Payments) from Fixed Deposit	(1,161.04)		(820.17)	
Payments for purchase of Mutual Funds	(22,200.00)		(11,200.00)	
Proceeds from sale of Mutual Funds	13,331.40		27,130.87	
Movement in Current Account of Subsidiaries	720.34		25.69	

STATEMENTS OF CASH FLOWS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Year ended 31 st March, 2026		Year ended 31 st March, 2025	
Proceeds from Divestment in Subsidiaries	1,154.28		-	
Interest Received	310.72		355.72	
Net cash used in investing activities (Total-B)		(8,847.78)		12,818.44
C. Cash flow from financing activities				
Payment of Lease Liabilities	(1,364.31)		(1,210.98)	
Proceed / Repayment of Short Term Borrowings (Working Capital)	(1,466.30)		(75.81)	
Dividend on Equity Shares paid	(8,381.77)		(7,803.52)	
Buyback of equity shares including tax and expenses thereon	-		(16,208.72)	
Treasury Shares purchased during the year (ESOP)	(118.78)		(257.28)	
Proceeds from Exercise of shares held by ESOP Trust	0.07		-	
Finance Cost (Other than Non Cash)	(137.40)		(202.75)	
Net cash used in financing activities (Total-C)		(11,468.49)		(25,759.06)
Net increase/(decrease) in Cash & cash equivalents (A+B+C)		872.88		(1,380.58)
Cash & cash equivalent - Opening Balance		411.84		1,792.42
Cash & cash equivalent - Closing Balance		1,284.72		411.84

Notes to Cash Flow Statement	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Components of Cash & cash equivalents		
Balances with banks	1,012.41	410.87
Cash on Hand	2.67	0.97
Bank FDs with original maturity of less than 3 months	42.67	-
Margin Money Deposits with Bank held as security with maturity of less than 3 months	226.97	-
Cash & cash equivalents considered in Cash Flow Statement	1,284.72	411.84

- The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.
- Reconciliation of Liabilities arising from financing activities

Particulars	Outstanding as at 1 st April, 2025	Cash Flows	Non-Cash Changes	Outstanding as at 31 st March, 2026
Short Term Borrowings	1,553.52	(1,466.30)	-	87.22
Lease Liabilities	4,790.88	(1,364.31)	1,156.07	4,582.64
Total Liabilities from financing activities	6,344.40	(2,830.61)	1,156.07	4,669.86

The accompanying notes are integral part of these Financial Statements.

As per our report of even date attached.

For Singhi & Co.

Chartered Accountants

(Firm Registration No. : 302049E)

Vikram Somany

Chairman & Managing Director

DIN: 00048827

Sudesh Choraria

Partner

Membership No. 204936

Vikas Kothari

Chief Financial Officer

Mem. No. ACA 114368

Deepshikha Khaitan

Vice Chairman & Joint Managing Director

DIN: 03365068

Place: Ahmedabad

Date: 8th May, 2026

Hemal Sadiwala

Company Secretary

Mem. No. ACS 20741

Anupam Gupta

Executive Director (Technical)

DIN: 09290890

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

1. Corporate Information

Cera Sanitaryware Limited (the “Company”) is a public limited company domiciled in India having its registered office situated at 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat, India. The Company was incorporated on 17th July, 1998, under the provisions of the Companies Act, 1956 applicable in India and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is engaged in the business of manufacturing, selling and trading of building material products and is having non-conventional wind farm & solar power for captive use in the State of Gujarat.

2. Basis of Preparation

2.1 Statement of Compliance with Ind AS

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the subsequent amendments from time to time, notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

These Financial Statements of the Company as at and for the year ended 31st March, 2026 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 8th May, 2026.

2.2 Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also a functional currency. All the values have been rounded off to the nearest lakh, unless otherwise indicated.

2.3 Basis of Measurement

These Financial Statements have been prepared on a historical cost convention except certain financial assets and liabilities which are measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities (including Derivative Instruments)	Fair Value
Employee Share based payments	Fair Value

3. Material Accounting Policies

3.1 Property, Plant and Equipment

[a] *Tangible Assets*

[i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use.

If significant parts of an item of property plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 “Revenue from Contracts with Customers”.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

[ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

[iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

[iv] Depreciation / Amortization

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on external/internal technical evaluation as under:

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Other Buildings on leased premises	10 years

The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Company's Plant and Equipments are considered on the basis of continuous process plant.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (up to) the date on which asset is ready for use (disposed of).

[b] Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Property, Plant & Equipment Group.

[c] Intangible Assets

[i] Initial Recognition and Classification

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

[ii] Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

[iii] Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the written down value method and is included in Depreciation and Amortisation expense in the Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

[iv] Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

[v] Intangible Assets under Development

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development".

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

[vi] Investment Property

Investment properties are land and buildings that are held for long term lease rental yields and/ or for capital appreciation. Investment properties are initially recognised at cost including transaction costs. Subsequently investment properties comprising buildings are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on buildings is provided over the estimated useful lives as specified in note 3.1(a)[iv] above. The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each reporting date. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

An investment property is de-recognised when either the investment property has been disposed of or do not meet the criteria of investment property i.e. when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

[d] Impairment of Non-Financial Assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.2 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs. Borrowing costs are reported on an accrual basis using the effective interest method.

3.3 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.4 Current versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset/ liability is treated as current when it is:-

*Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.

*Held primarily for the purpose of trading.

* Expected to be realised/ settled within twelve months after the reporting period, or

* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

*There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

3.5 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Normal Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

3.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- * a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- * a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are not recognised in the financial statements however, contingent assets, if any, are disclosed in the financial statements.

3.8 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

3.9 Foreign Currency Transactions and Translations

Initial Recognition

The Company's financial statements are presented in Rs. which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

In case of advance receipts/payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

Measurement at the Balance Sheet Date

Foreign Currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.10 Revenue from Contracts with Customers

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Further, the Company evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

Sale of Goods

Most of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Company recognises revenue from the sale of goods upon transfer of control of promised products to customers. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation, in accordance with Ind AS 115 "Revenue from contract with customers". Amounts disclosed as revenue are net of returns and allowances, trade discounts and value added taxes/ Goods and service tax.

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long - term advances from customers are generally received by the Company.

The Company provides for warranties for general repairs and replacement which will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

Rendering of Services

The Company is rendering after sales services for its sold products. The after sales services is rendered against independent contracts with customers or against assurance type warranty for goods sold. Revenue from sale of services is recognised at an amount entitled in exchange for transferring services at a point in time to a customer.

Interest and Dividends and Other Income

Interest income is reported on an accrual basis using the effective interest method. Dividends are recognised at the time the unconditional right to receive payment is established. Other income is recognised on accrual basis except where the receipt of income is uncertain.

3.11 Exceptional Items

An item of income or expense which by its size, nature, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

3.12 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer Note No. 46, classification of leases and other disclosures relating to leases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.13 Employee Benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences and Share based Payments.

Defined Contribution Plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined Benefit Plans

The Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

Share Based Payments

The Company recognizes compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payments".

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date using an appropriate valuation model which is dependent on the terms and conditions of the grant.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Treasury Shares

The Company has formed the Cera Sanitaryware Limited Employee Welfare Trust ("ESOP trust") for purchasing the Company's shares to be allotted to eligible employees under Employee Stock Options Scheme. The Company has considered the said Employee Welfare Trust as its extension and shares held by the Trust is treated as Treasury Shares. As per Ind AS 32, the consideration paid for treasury shares including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued.

3.14 Taxes on Income

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

(a) Current Tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

(b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Tax relating to items recognised directly in equity/ other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Fair Value Measurement

The Company measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.16 Financial Instruments

I. Financial Assets

(a) Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

(b) Subsequent Measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

(iii) *Financial assets at fair value through Profit or Loss (FVTPL)*

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

(c) **Impairment of Financial Assets**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(d) **Derecognition of Financial Assets**

A financial asset is derecognised when:

*The Company has transferred the right to receive cash flows from the financial assets or

*Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognise the financial asset.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. **Financial Liabilities**

Initial Recognition and Subsequent Measurement

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. **Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

IV. **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

V. **Investment in Subsidiaries, Joint Ventures and Associates**

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less impairment loss, if any.

3.17 **Significant Judgments, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of Non-financial Assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

(b) *Estimation of Defined Benefit Obligations*

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) *Fair Value Measurement of Financial Instruments*

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) *Estimation of Current Tax and Deferred Tax*

Management judgment is required for the calculation of provision for income – taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

(e) *Impairment of Financial Assets*

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) *Impairment of Investments in Subsidiaries, Joint Ventures and Associates*

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the estimated recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

(g) Useful lives of Property, Plant and Equipment, and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(h) *Share based Payments*

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.2.

MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS for the financial year ended 31st March, 2026

3.18 Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, which are applicable for annual reporting periods beginning on or after 1st April 2025.

These amendments primarily relate to the following standards:

Ind AS 1 – Presentation of Financial Statements

Amendments clarify the criteria for classification of liabilities as current or non-current and introduce additional disclosure requirements for non-current liabilities with covenants.

Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments Disclosures

Amendments introduce new disclosure requirements for supplier finance arrangements, including information about terms, carrying amounts and associated risks.

Ind AS 12 – Income Taxes

Amendments introduce guidance relating to the recognition and disclosure of deferred taxes arising from the implementation of the OECD Pillar Two model rules.

Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

Amendments provide guidance on determination of exchange rates in situations where the currency is not exchangeable.

The Company has applied these amendments from **1st April 2025**. The adoption of the above amendments has not had a material impact on the financial statements, except for additional disclosures in respect of the above.

The Company has updated its accounting policies and disclosures to comply with the above amendments.

New and amended standards issued but not effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, A new Standard on Accounting, Ind AS 118 (equivalent to IFRS 18) – Presentation and Disclosure in Financial Statements has been introduced which will be applicable from April 1st, 2027 and will replace Ind AS 1 once notified by the Ministry of Corporate Affairs (MCA). Ind AS 118 sets out general and specific requirements for the presentation of financial statements and for disclosures in the notes. This does not have a material impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026
(All amounts are in rupees lakhs, unless otherwise stated)

Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(a) Property, Plant and Equipment

Sr. No.	Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
1.	Gross Carrying Amount								
	As at 1 st April, 2024	3,628.77	18,728.52	28,527.39	3,513.88	1,440.50	751.45	1,034.04	57,624.55
	Addition / Transfers	60.32	1,253.21	705.34	792.70	210.07	157.85	162.79	3,342.28
	Disposal / Adjustments	-	(216.86)	(249.21)	(845.85)	(104.95)	(47.75)	(79.14)	(1,543.76)
	As at 31 st March, 2025	3,689.09	19,764.87	28,983.52	3,460.73	1,545.62	861.55	1,117.69	59,423.07
	Addition / Transfers	19.04	1,062.43	580.44	358.13	203.47	97.96	142.07	2,463.54
	Disposal / Adjustments	-	(21.57)	(4.50)	(66.20)	(101.94)	(5.57)	(69.33)	(269.11)
	As at 31 st March, 2026	3,708.13	20,805.73	29,559.46	3,752.66	1,647.15	953.94	1,190.43	61,617.50
2.	Accumulated Depreciation / Amortization								
	As at 1 st April, 2024	-	7,870.37	11,533.11	2,662.92	1,146.15	617.94	619.05	24,449.54
	Charge for the year	-	813.82	1,128.94	412.31	196.54	88.00	152.02	2,791.63
	Disposal / Adjustments	-	(103.08)	(185.95)	(788.94)	(84.54)	(45.37)	(69.72)	(1,277.60)
	As at 31 st March, 2025	-	8,581.11	12,476.10	2,286.29	1,258.15	660.57	701.35	25,963.57
	Charge for the year	-	835.27	1,192.30	343.36	181.92	97.17	133.93	2,783.95
	Disposal / Adjustments	-	(14.80)	(2.64)	(60.34)	(83.85)	(4.56)	(60.08)	(226.27)
	As at 31 st March, 2026	-	9,401.58	13,665.76	2,569.31	1,356.22	753.18	775.20	28,521.25
3.	Net Carrying Amount								
	As at 31 st March, 2025	3,689.09	11,183.76	16,507.42	1,174.44	287.47	200.98	416.34	33,459.50
	As at 31 st March, 2026	3,708.13	11,404.15	15,893.70	1,183.35	290.93	200.76	415.23	33,096.25

(b) Capital work-in-progress (CWIP)

As at 1 st April, 2024	1,296.39
Additions	1,072.47
Capitalized / Adjustments	(1,296.39)
As at 31 st March, 2025	1,072.47
Additions	347.68
Capitalized / Adjustments	(700.62)
As at 31 st March, 2026	719.53

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

(c) Capital work-in-progress (CWIP) ageing schedule

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March, 2026	347.69	371.84	-	-	719.53
Sanitaryware	-	-	-	-	-
Faucetware	347.69	371.84	-	-	719.53
As at 31st March, 2025	1,072.47	-	-	-	1,072.47
Sanitaryware	662.45	-	-	-	662.45
Faucetware	410.02	-	-	-	410.02

All the projects are executed as per rolling annual plan.

Notes:

- Previous period's figures have been re-grouped /re-classified wherever required to current year's classification.
- Cost of Buildings includes ownership offices in co-operative societies for Rs. 2,636.64 lakhs (PY Rs. 2,636.64 lakhs) including 60 shares of Rs. 50/- each in three Co-operative societies.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is Rs. 213.91 lakhs as on 31st March, 2026 & Rs. 69.55 lakhs as on 31st March, 2025. [Refer Note No. 47(a)]

Note - 5. INVESTMENT PROPERTY

Sr. No.	Particulars	Building
1	Gross Carrying Amount	
	As at 1st April, 2024	159.94
	Additions / Transfers	-
	Disposal / Adjustments	-
	As at 31st March, 2025	159.94
	Addition / Transfers	-
	Disposal / Adjustments	(37.24)
	As at 31st March, 2026	122.70
2	Accumulated Depreciation	
	As at 1st April, 2024	3.23
	Charge for the year	7.63
	Disposal / Adjustments	-
	As at 31st March, 2025	10.86
	Charge for the year	7.22
	Disposal / Adjustments	(4.18)
	As at 31st March, 2026	13.90
3	Net Carrying Amount	
	As at 31 st March, 2025	149.08
	As at 31st March, 2026	108.80

Notes:

- Fair value of the above investment property as at 31st March, 2026 is Rs. 127.03 lakhs (31st March, 2025 : Rs. 163.26 Lakhs) based on external valuation. The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in village Bhiwadi area. The fair value of investment property is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- The Company has not earned any rental income on the above properties.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 6. OTHER INTANGIBLE ASSETS

(a) Other Intangible Assets

Sr. No.	Particulars	Computer Softwares
1	Gross Carrying Amount	
	As at 1 st April, 2024	621.69
	Addition / Transfers	58.51
	Disposal / Adjustments	(72.66)
	As at 31 st March, 2025	607.54
	Addition / Transfers	35.86
	Disposal / Adjustments	-
	As at 31 st March, 2026	643.40
2	Accumulated Amortization	
	As at 1 st April, 2024	526.51
	Charge for the year	88.93
	Disposal / Adjustments	(69.02)
	As at 31 st March, 2025	546.42
	Charge for the year	48.94
	Disposal / Adjustments	-
	As at 31 st March, 2026	595.36
3	Net Carrying Amount	
	As at 31 st March, 2025	61.12
	As at 31 st March, 2026	48.04

(b) Intangible Assets under development (IAUD)

As at 1 st April, 2024	-
Addition	-
Capitalized / Adjustments	-
As at 31 st March, 2025	-
Addition	-
Capitalized / Adjustments	-
As at 31 st March, 2026	-

(c) Intangible Assets under development (IAUD) ageing schedule

Projects in progress	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 st March, 2026	-	-	-	-	-
As at 31 st March, 2025	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 7. INVESTMENTS - NON-CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	Non-Current Investments		
	Trade Investments (valued at cost, net of impairment loss)		
	Investments in Subsidiaries		
A	Investments in Limited Liability Partnership (Unquoted) (#)		
	(a) Packcart Packaging LLP (Subsidiary)	-	90.78
	(b) Race Polymer Arts LLP (Subsidiary)	-	510.00
	Total Trade Investments in Subsidiaries (A)	-	600.78
	Non Trade Investments		
B	Investments in Debentures (at amortised cost) (Unquoted)		
	(a) State Bank of India Series1 7.74% - NCD Perpetual Nil Units (50 Units of face value of Rs. 10,00,000 per unit as at 31 st March, 2025)	-	500.24
	(b) State Bank of India Series1 7.73% - NCD Perpetual Nil Units (50 Units of face value of Rs. 10,00,000 per unit as at 31 st March, 2025)	-	501.82
	(c) State Bank of India SR III 7.55% - BD Perpetual FVRSICR 7 Units of face value of Rs. 1,00,00,000 per unit (7 Units of face value of Rs. 1,00,00,000 per unit as at 31 st March, 2025)	698.31	696.63
	Total (B)	698.31	1,698.69
C	Investments in Bonds (at amortised cost) (Unquoted)		
	(a) Rural Electrification Corporation Limited SR - 2 8.12 / 8.32 (Tax free) 28000 Bonds of face value of Rs. 1,000 per Bond (28000 Bonds of face value of Rs. 1,000 per Bond as at 31 st March, 2025)	289.77	295.37
	(b) Indian Railway Finance Corporation Limited SR-79 A 7.77 (Tax free) 385 Bonds of face value of Rs.1,00,000 per Bond (385 Bonds of face value of Rs. 1,00,000 per Bond as at 31 st March, 2025)	392.50	399.54
	Total (C)	682.27	694.91
D	Investments in Limited Liability Partnership (Unquoted)		
	(a) Milo Tile LLP (Associate entity) *	-	806.00
	Less: Provision for Impairment (Refer Note 7.1D)	-	(806.00)
	Add: Reversal of Provision for Impairment	-	806.00
	Less: Investment written off	-	(806.00)
	Total (D)	-	-
E	Investments in Government Securities (at cost) (Unquoted)		
	(a) National Savings Certificates (Deposited with Government Department)	0.13	0.13
	Total (E)	0.13	0.13
	Total Non-Trade Investments (B + C + D + E)	1,380.71	2,393.73
	Total Non- Current Investments (A + B + C + D + E)	1,380.71	2,994.51
	Aggregate amount of Unquoted Investments (A + B + C + D + E)	1,380.71	3,800.51
	Aggregate amount of write off / Impairment in value of Investments	-	806.00

#Refer Note No. 7.1(C)

*Refer Note No. 7.1(D)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 7. INVESTMENTS - NON-CURRENT (Contd.)

7.1(A) Investment in Packcart Packaging LLP (subsidiary), their partners, total capital and shares of each partner are as under :

Sr. No.	Name of Partners	As at 31 st March, 2026 [#]		As at 31 st March, 2025	
		Capital (Rs. in Lakhs)	Share percentage	Capital (Rs. in Lakhs)	Share percentage
1	Cera Sanitaryware Limited	-	-	90.78	51%
2	Mrs. Kinjal Bhatt	-	-	87.22	49%
	Total	-	-	178.00	100%

7.1(B) Investment in Race Polymer Arts LLP (subsidiary), their partners, total capital and shares of each partner are as under :

Sr. No.	Name of Partners	As at 31 st March, 2026 [#]		As at 31 st March, 2025	
		Capital (Rs. in Lakhs)	Share percentage	Capital (Rs. in Lakhs)	Share percentage
1	Cera Sanitaryware Limited	-	0%	510.00	51%
2	Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP)	-	0%	490.00	49%
	Total	-	0%	1,000.00	100%

(#) Refer Note No. 7.1(C) below

7.1(C) During the financial year ended 31st March 2026, the Company divested its entire investment in its subsidiary LLPs, namely Packcart Packaging LLP ("Packcart") and Race Polymer Arts LLP ("Race"), by transferring its 51% partnership interest on 29th September, 2025.

Consequent to the aforesaid divestment, both Packcart and Race ceased to be subsidiaries of the Company with effect from the said date and accordingly, the Company does not hold any investment in these entities as at the reporting date.

The aggregate consideration received on divestment amounted to Rs. 1,874.62 lakhs. The excess of consideration over the carrying value of the Company's capital contribution (including current capital balance and fixed capital balance) as on the date of divestment, amounting to Rs. 553.50 lakhs, has been recognised as profit on divestment and disclosed under Other Income in the Statement of Profit and Loss for the year ended 31st March, 2026.

7.1(D) The Company acquired share capital worth Rs. 806 Lakhs for 26% stake in M/s Milo Tile LLP ("Milo") in FY 2018-19. During FY 2022-23 Milo had been unable to maintain product quality parameters which has forced the Company to discontinue procuring tiles from Milo, and raise claims based on inferior quality products supplied by Milo.

Subsequently, the matter was referred to arbitration in accordance with the terms of the agreement between the parties. However, during the mediation process, both parties agreed to an amicable settlement in March 2025 whereby CERA retired from the LLP without any claim on its capital or share of profits in the LLP and also paid an amount of Rs.160 Lakhs as full and final settlement against the Trade Payables due to Milo.

Pursuant to this settlement, the entire investment of Rs. 806 lakhs in Milo Tile LLP was not recoverable, hence written off by adjusting against the impairment Loss provided (Rs. 500.00 Lakhs in FY 2022-23, Rs. 155.57 Lakhs in FY 2023-24 and remaining amount of Rs. 150.43 Lakhs in FY 2024-25) and disclosed as an exceptional item in the respective periods.

7.2 Ownership Interest in Subsidiaries (#):

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%)		Activities
			As at 31 st March, 2026	As at 31 st March, 2025	
1	Investment in Limited Liability Partnership -Packcart Packaging LLP	India	-	51%	Manufacturing of Corrugated Boxes.
2	Investment in Limited Liability Partnership -Race Polymer Arts LLP	India	-	51%	Manufacturing of Seat Cover, Cistern, Fitting.

(#) Refer Note No. 7.1(C) above

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 8. OTHER FINANCIAL ASSETS - NON-CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	At amortised cost		
1	Security Deposits	264.41	256.00
	Less: Allowance for Expected Credit Loss	(39.20)	(39.20)
	Net Security Deposits	225.21	216.80
	Other Bank Balances		
2	Margin Money Deposits with a bank held as security with more than 12 months maturity	85.26	215.38
3	Bank FDs with more than 12 months maturity	44.21	39.51
	Total	354.68	471.69

Note - 9. OTHER NON-CURRENT ASSETS

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Capital Advances	108.85	129.32
2	Advances other than Capital Advances		
	(a) Prepaid Expenses	18.51	14.82
	(b) Other Advances (Unsecured, considered good)		
	Advance Lease Rentals – Security Deposits	69.18	82.40
	(c) Income Tax of earlier years	53.72	353.42
	Total	250.26	579.96

Note - 10. INVENTORIES

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	At lower of Cost and Net Realisable Value		
1	Raw Materials	4,531.07	4,861.47
2	Raw Materials in Transit	514.05	-
3	Work-in-progress	2,145.53	1,863.43
4	Finished Goods	14,439.90	17,462.17
5	Stock-in-trade	15,854.01	14,369.51
6	Stock-in-trade in Transit	31.67	40.12
7	Stores and Spares	2,055.92	1,967.83
8	Stores and Spares in Transit	4.41	17.40
	Total	39,576.56	40,581.93

Note :

10.1 Inventories are hypothecated to secure working capital facilities from State Bank of India.

Note - 11. INVESTMENTS - CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	Current Investments		
	Investments in Mutual Funds (Unquoted)		
	Measured at fair value through Profit & Loss (FVTPL)		
1	Bandhan Corporate Bond Fund – Regular Growth 3416670.0920 Units NAV of Rs. 19.8892 each (3416670.0920 Units NAV of Rs. 18.8091 each as at 31 st March, 2025)	679.55	642.64

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 11. INVESTMENTS - CURRENT (Contd.)

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
2	HDFC Corporate Bond Fund - Regular Plan - Growth 2016540.4970 Units NAV of Rs. 33.3409 each (2016540.4970 Units NAV of Rs. 31.8650 each as at 31 st March, 2025)	672.33	642.57
3	Axis Banking & PSU Debt Fund - Direct Plan - Growth 23266.5560 Units NAV of Rs. 2812.9721 each (23266.5560 Units NAV of Rs. 2657.6768 each as at 31 st March, 2025)	654.48	618.35
4	HSBC Banking and PSU Debt Fund - Direct Growth 4840052.4810 Units NAV of Rs. 26.4146 each (4840052.4810 Units NAV of Rs. 24.9454 each as at 31 st March, 2025)	1,278.48	1,207.37
5	Bharat Bond ETF - April 2030 40000.0000 Units NAV of Rs. 1561.7876 each (40000.0000 Units NAV of Rs. 1476.8637 each as at 31 st March, 2025)	624.72	590.74
6	HSBC Corporate Bond Fund - Direct Growth 426193.2750 Units NAV of Rs. 80.7098 each (426193.2750 Units NAV of Rs. 75.9890 each as at 31 st March, 2025)	343.98	323.86
7	HDFC Corporate Bond Fund - Direct Plan - Growth 18141621.0910 Units NAV of Rs. 34.1337 each (15143548.5460 Units NAV of Rs. 32.5415 each as at 31 st March, 2025)	6,192.41	4,927.94
8	Kotak Floating Rate Fund - Direct Plan - Growth 13375.9980 Units NAV of Rs. 1619.4067 each (13375.9980 Units NAV of Rs. 1508.5360 each as at 31 st March, 2025)	216.61	201.78
9	SBI Dynamic Bond Fund - Direct Plan - Growth 709853.9780 Units NAV of Rs. 40.1329 each (709853.9780 Units NAV of Rs. 38.3539 each as at 31 st March, 2025)	284.89	272.26
10	BHARAT Bond FOF - April 2030 - Direct Plan - Growth Option (Bharat Bond FOF - April 2025 - Direct Plan Growth - Option merged with Bharat Bond FOF Direct Plan - Growth Option - 2030) 20661790.4020 Units NAV of Rs. 15.4147 each (23810152.9690 Units NAV of Rs. 12.8435 each as at 31 st March, 2025)	3,184.95	3,058.06
11	SBI Floating Rate Debt Fund - Direct Plan - Growth 41133366.4740 Units NAV of Rs. 14.0347 each (41133366.4740 Units NAV of Rs. 13.1398 each as at 31 st March, 2025)	5,772.95	5,404.84
12	HDFC Banking & PSU Debt Fund - Direct Plan - Growth 1976743.8600 Units NAV of Rs. 24.7263 each (1976743.8600 Units NAV of Rs. 23.4198 each as at 31 st March, 2025)	488.78	462.95
13	Bandhan Bond Fund - Short Term - Direct Plan - Growth 2078625.8820 Units NAV of Rs. 63.5122 each (2078625.8820 Units NAV of Rs. 59.7620 each as at 31 st March, 2025)	1,320.18	1,242.23
14	ICICI Prudential Corporate Bond Fund - Direct Plan - Growth 29594993.9030 Units NAV of Rs. 32.4590 each (26404021.8750 Units NAV of Rs. 30.5515 each as at 31 st March, 2025)	9,606.24	8,066.83
15	DSP Bond Fund - Direct Plan - Growth 1461851.0920 Units NAV of Rs. 89.4060 each (1461851.0920 Units NAV of Rs. 84.8645 each as at 31 st March, 2025)	1,306.98	1,240.59
16	ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth 1887260.7350 Units NAV of Rs. 35.3545 each (1887260.7350 Units NAV of Rs. 33.3743 each as at 31 st March, 2025)	667.23	629.86

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 11. INVESTMENTS - CURRENT (Contd.)

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
17	ICICI Prudential Short Term Fund - Direct Plan - Growth 5933470.6160 Units NAV of Rs. 68.4524 each (5933470.6160 Units NAV of Rs. 64.0608 each as at 31 st March, 2025)	4,061.60	3,801.03
18	Bandhan Crisil IBX Gilt April 2028 Index Fund - Direct Plan - Growth 17416655.9240 Units NAV of Rs. 13.6370 each (17416655.9240 Units NAV of Rs. 12.7726 each as at 31 st March, 2025)	2,375.11	2,224.56
19	Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund - Direct Growth 20040969.4670 Units NAV of Rs. 12.9697 each (20040969.4670 Units NAV of Rs. 12.1453 each as at 31 st March, 2025)	2,599.25	2,434.04
20	Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Direct Plan - Growth 16362429.2430 Units NAV of Rs. 13.6508 each (16362429.2430 Units NAV of Rs. 12.7958 each as at 31 st March, 2025)	2,233.60	2,093.70
21	Aditya Birla Sun Life Corporate Bond Fund - Direct Plan - Growth 2315758.2510 Units NAV of Rs. 117.9250 each (2315758.2510 Units NAV of Rs. 112.4521 each as at 31 st March, 2025)	2,730.86	2,604.12
22	Bandhan Crisil IBX Gilt June 2027 Index Fund - Direct Plan - Growth 9170151.5210 Units NAV of Rs. 13.5796 each (9170151.5210 Units NAV of Rs. 12.7021 each as at 31 st March, 2025)	1,245.27	1,164.80
23	Bharat Bond FOF - April 2030 - Direct Plan - Growth 6073406.8810 Units NAV of Rs. 15.4147 each (6073406.8810 Units NAV of Rs. 14.6921 each as at 31 st March, 2025)	936.19	892.31
24	DSP Corporate Bond Fund - Direct Plan - Growth 12844054.4060 Units NAV of Rs. 16.9412 each (12844054.4060 Units NAV of Rs. 15.8618 each as at 31 st March, 2025)	2,175.94	2,037.30
25	DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund - Direct Plan - Growth 10414446.1130 Units NAV of Rs. 13.0127 each (10414446.1130 Units NAV of Rs. 12.1899 each as at 31 st March, 2025)	1,355.20	1,269.51
26	Kotak Bond Short Term Plan - Direct Plan- Growth 3084411.0010 Units NAV of Rs. 59.5481 each (3084411.0010 Units NAV of Rs. 56.0463 each as at 31 st March, 2025)	1,836.71	1,728.70
27	Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund - Direct Plan - Growth 16941895.2191 Units NAV of Rs. 12.9168 each (16941895.2191 Units NAV of Rs. 12.0412 each as at 31 st March, 2025)	2,188.35	2,040.00
28	SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct Plan - Growth 19351259.2560 Units NAV of Rs. 12.8721 each (19351259.2560 Units NAV of Rs. 12.0498 each as at 31 st March, 2025)	2,490.91	2,331.79
29	SBI Magnum Gilt Fund - Direct Plan - Growth 3502260.7340 Units NAV of Rs. 70.3285 each (3502260.7340 Units NAV of Rs. 69.1029 each as at 31 st March, 2025)	2,463.09	2,420.16
30	SBI Magnum Low Duration Fund - Direct Plan - Growth 133346.8470 Units NAV of Rs. 3793.3089 each (133346.8470 Units NAV of Rs. 3557.7202 each as at 31 st March, 2025)	5,058.26	4,744.11

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 11. INVESTMENTS - CURRENT (Contd.)

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
31	Bandhan Crisil IBX Gilt April 2028 Index Fund - Direct Plan - Growth 6986468.8800 Units NAV of Rs. 13.6370 each (6986468.8800 Units NAV of Rs. 12.7726 each as at 31 st March, 2025)	952.74	892.35
32	Aditya Birla Sun Life Money Manager Fund - Direct Plan - Growth 486171.7630 Units NAV of Rs. 392.1682 each (1349806.8100 Units NAV of Rs. 367.6703 each as at 31 st March, 2025)	1,906.61	4,962.84
33	Aditya Birla Sun Life Savings Fund - Direct Plan - Growth 1390130.9980 Units NAV of Rs. 584.9954 each (Nil Unit as at 31 st March, 2025)	8,132.20	-
34	Nippon India Nivesh Lakshya Long Duration - Direct Plan - Growth 3255116.2220 Units NAV of Rs. 17.8316 each (Nil Unit as at 31 st March, 2025)	580.44	-
35	HDFC Money Market Fund - Direct Plan - Growth 24632.95 Units NAV of Rs. 6102.5131 each (Nil Unit as at 31 st March, 2025)	1,503.23	-
	Total	80,120.32	67,174.19
	Aggregate Cost of Unquoted Investments	65,905.83	56,527.85
	Aggregate Fair Value of Unquoted Investments	80,120.32	67,174.19

Note - 12. TRADE RECEIVABLES - CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a)	Trade Receivables considered good - Secured	3,088.39	2,953.98
(b)	Trade Receivables considered good - Unsecured	23,786.86	23,321.63
(c)	Trade Receivables which have significant increase in Credit Risk	275.95	316.74
(d)	Trade Receivables - credit impaired	1,774.61	1,563.77
		28,925.81	28,156.12
	Less: Allowance for Expected Credit Losses	(1,538.88)	(1,359.71)
	Total	27,386.93	26,796.41

Movement in Allowance for Expected Credit Losses

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Balance at the beginning of the year	1,359.71	1,375.61
Allowance for Expected Credit Losses provided during the year (Refer Note No. 37)	400.20	212.35
Amounts written back during the year	(199.80)	(167.20)
Amounts of Trade Receivables written off during the year	(21.23)	(61.05)
Balance at the end of the year	1,538.88	1,359.71

Notes :

12.1 Trade Receivables are hypothecated to secure working capital facilities from State Bank of India.

12.2 No Trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

12.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.

12.4 Trade Receivables are non-interest bearing and are generally on credit terms of 30 to 60 days.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 12. TRADE RECEIVABLES - CURRENT (Contd.)

12.5 Ageing for Trade Receivables (Gross) as at 31st March, 2026 is as follows:

	Particulars	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good	15,320.11	11,555.14	-	-	-	-	26,875.25
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	275.95	-	-	-	275.95
(iii)	Undisputed Trade Receivables - credit impaired	-	-	-	423.21	56.61	1,294.79	1,774.61
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	Total	15,320.11	11,555.14	275.95	423.21	56.61	1,294.79	28,925.81

Ageing for Trade Receivables (Gross) as at 31st March, 2025 is as follows:

	Particulars	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good	14,803.15	11,472.46	-	-	-	-	26,275.61
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	316.74	-	-	-	316.74
(iii)	Undisputed Trade Receivables - credit impaired	-	-	-	96.95	400.80	1,066.02	1,563.77
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	Total	14,803.15	11,472.46	316.74	96.95	400.80	1,066.02	28,156.12

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 13. CASH & CASH EQUIVALENTS

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Balances with banks in current accounts	1,012.41	410.87
2	Cash on hand	2.67	0.97
3	Bank FDs with original maturity of less than 3 months	42.67	-
4	Margin Money Deposits with Bank held as security with maturity of less than 3 months	226.97	-
	Total	1,284.72	411.84

Note - 14. OTHER BALANCES WITH BANKS

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Bank Fixed Deposits with original maturity of more than 3 months but less than 12 months	3,183.00	1,837.05
2	Margin Money Deposits with a bank held as security with more than 3 months but less than 12 months maturit	178.30	237.79
3	Earmarked Balances with Banks (Unpaid Dividend)*	160.36	133.58
	Total	3,521.66	2,208.42

* Not due for deposit in the Investor Education and Protection Fund

Note - 15. OTHER FINANCIAL ASSETS - CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	At amortised cost (Unsecured, considered good)		
1	Security Deposits*	143.59	122.68
2	Insurance claims receivable	25.45	72.01
3	Interest accrued and receivable	40.49	74.90
4	Advance to staff [#]	42.50	21.79
	Total	252.03	291.38

* Including Rs. 20.29 Lakhs (PY Rs. 20.29 Lakhs) given to a related party

[#] including Rs.8.75 Lakhs due from KMP

Note - 16. OTHER CURRENT ASSETS

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
	Advances other than Capital Advances (Unsecured, considered good)		
(i)	Prepaid Expenses	455.52	696.07
(ii)	Balance with Govt. Authorities	12.03	112.97
(iii)	Advance Lease Rentals - Security Deposits	21.72	21.00
(iv)	Advance to Suppliers	2,428.04	1,329.82
(v)	Other Advances*	540.08	1,352.59
	Total	3,457.39	3,512.45

* Amounts due from related parties amounting to Rs. Nil (PY Rs. 576.10 Lakhs).

Refer Note No. 40 and 48

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 17. CURRENT TAX ASSETS (NET)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current Tax Assets (Net)	308.81	-
Total	308.81	-

Note - 18. SHARE CAPITAL

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Authorized Share Capital 2,00,00,000 Equity Shares of Rs. 5/- each (2,00,00,000 Equity Shares of Rs. 5/- each as at 31 st March, 2025)	1,000.00	1,000.00
		1,000.00	1,000.00
2	Issued, Subscribed & Fully Paid Up Capital 1,28,97,541 Equity Shares of Rs. 5/- each fully paid up (1,28,97,541 Equity Shares of Rs. 5/- each fully paid up as at 31 st March, 2025)	644.88	644.88
	Total	644.88	644.88

18.1 The reconciliation of Equity Shares outstanding at the beginning and at the end of the year is set out below :

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	1,28,97,541	644.88	1,30,05,874	650.29
Issued during the year	-	-	-	-
Shares extinguished on buyback	-	-	1,08,333	5.42
Balance at the end of the year	1,28,97,541	644.88	1,28,97,541	644.88

18.2 Terms / Rights attached to Equity Share :

The Company has only one class of Equity Shares having a par value of Rs. 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Refer Note No. 53 for the particulars of Dividend Paid / proposed during the year.

18.3 The Board of Directors of the Company at its meeting held on 5th August, 2024 approved the proposal of buyback 1,08,333 fully paid-up Equity Shares of the Company on a proportionate basis, through the tender offer route, at a price of Rs. 12000/- per Equity Share payable in cash for an amount aggregating to Rs. 12,999.96 Lakhs (excluding transaction cost and taxes). The Company bought back 1,08,333 fully paid-up Equity Shares and settled all valid bids and extinguished equity shares bought back during FY 2024-25.

18.4 Details of Equity shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of Shareholder	As at 31 st March, 2026		As at 31 st March, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	28,71,814	22.27%	28,71,814	22.27%
Shri Vikram Somany	9,36,567	7.26%	9,36,567	7.26%
Smt Smiti Somany	13,29,070	10.30%	13,29,070	10.30%
Nalanda India Equity Fund Limited	12,34,298	9.57%	12,34,298	9.57%

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 18. SHARE CAPITAL (Contd.)

18.5 Details of the shareholding of promoters are set out below :

Promoter Name	As at 31 st March, 2026		As at 31 st March, 2025		% Change during the year
	No. of Shares	% of holding	No. of Shares	% of holding	
Vikram Investment Co. Pvt. Ltd.	28,71,814	22.27%	28,71,814	22.27%	-
Shri Vikram Somany	9,36,567	7.26%	9,36,567	7.26%	-
Smt Smiti Somany	13,29,070	10.30%	13,29,070	10.30%	-
Rekha Commercial Pvt. Ltd.	5,27,165	4.09%	5,27,165	4.09%	-
Trisure Promotions & Tradings Pvt. Ltd.	4,79,648	3.72%	4,79,648	3.72%	-
Deepshikha Khaitan	3,35,789	2.60%	3,35,789	2.60%	-
Suvinay Trading & Investment Co. Ltd.	3,19,642	2.48%	3,19,642	2.48%	-
Pooja Jain Somany	2,00,000	1.55%	2,00,000	1.55%	-
Madhusudan Industries Ltd.	18,065	0.14%	18,065	0.14%	-
Total	70,17,760	54.41%	70,17,760	54.41%	

18.6 There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares during the last 5 years. During FY 2024-25 the Company had bought back shares as disclosed in note 18.3 above.

Note - 19. OTHER EQUITY

Sr. No.	Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
1	Other Reserves				
	(i) Securities Premium				
	Balance at the beginning of the year	-		8,095.94	
	Buyback of equity shares (Refer Note 18.3)	-		(8,095.94)	
	Balance at the end of the year		-		-
	(ii) General Reserve				
	Balance at the beginning of the year	60,468.76		62,286.64	
	Transferred to Capital Redemption Reserve on buyback of equity shares	-		(5.42)	
	Buyback of equity shares including tax thereon (Refer Note 18.3)	-		(7,925.81)	
	Transferred from Statement of Profit and Loss	6,265.02		6,113.35	
	Balance at the end of the year		66,733.78		60,468.76
	(iii) Treasury Shares				
	Balance at the beginning of the year	(258.40)		-	
	Treasury Shares purchased during the year	(155.02)		(258.40)	
	Treasury Shares transferred during the year upon exercise of grant	97.17		-	
	Balance at the end of the year		(316.25)		(258.40)
	(iv) Share Options Outstanding Reserve				
	Balance at the beginning of the year	309.96		-	
	Created during the year	249.37		309.96	
	Reversed during the year upon exercise of grant	(60.69)		-	
	Balance at the end of the year		498.64		309.96

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 19. OTHER EQUITY (Contd.)

Sr. No.	Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	(v) Capital Redemption Reserve				
	Balance at the beginning of the year	5.42		-	
	Created during the year on buyback of equity shares	-		5.42	
	Balance at the end of the year		5.42		5.42
2	Retained Earnings				
	Balance at the beginning of the year	74,648.44		63,916.88	
	Profit for the year	20,418.56		24,648.43	
	Transferred to General Reserve	(6,265.02)		(6,113.35)	
	Dividend on Equity Shares distributed for F.Y. 2024-25	(8,381.77)		-	
	Dividend on Equity Shares distributed for F.Y. 2023-24	-		(7,803.52)	
	Balance at the end of the year		80,420.21		74,648.44
3	Other Comprehensive Income				
	Remeasurement of Defined Benefit Plan				
	Balance at the beginning of the year	(784.74)		(695.65)	
	Actuarial (Loss) / Gain on Remeasurement of Defined Benefit Plan	42.64		(119.06)	
	Current Tax effect on Gratuity	(10.73)		29.97	
	Balance at the end of the year		(752.83)		(784.74)
	Total		1,46,588.97		1,34,389.44

Nature and purpose of Other Reserves

a) Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General Reserve

General Reserve is created out of profit after tax earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

c) Treasury Shares

Treasury Shares represents cost of shares of the Company purchased by “Cera Sanitaryware Limited Employees Welfare Trust” to be utilized for the purpose of granting ESOPs to the eligible employees of the Company.

d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

e) Capital Redemption Reserve

In accordance with Section 69 of the Companies Act, 2013, the Company has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from the General Reserve.

f) Share Options Outstanding Reserve

Share Options Outstanding Reserve is created as required by Ind AS 102, ‘Share Based Payments’ on the employee stock option scheme operated by the Company for its eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 20. OTHER FINANCIAL LIABILITIES - NON CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Deposits by Dealers	3,126.64	2,992.23
2	Due to others	22.23	22.23
	Total	3,148.87	3,014.46

Note - 21. PROVISIONS - NON-CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Provision for Employee Benefits		
	Provision for Leave Encashment	686.46	756.65
2	Provision for Tax		
	Provision for Income Tax of earlier years	145.51	286.78
	Total	831.97	1,043.43

Refer Note No. 44 for Movement of Provisions

Note - 22. DEFERRED TAX LIABILITIES (NET)

Sr. No.	Particulars	Balance Sheet		Statement of Profit and Loss	
		As at 31 st March, 2026	As at 31 st March, 2025	As at 31 st March, 2026	As at 31 st March, 2025
i.	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and income tax	2,670.09	2,774.87	(104.78)	(149.44)
ii.	Fair valuation of Investments	2,101.36	1,554.44	546.92	(625.75)
iii.	Impact of Right-of-use Assets and Lease Liabilities	(158.32)	(116.88)	(41.44)	(55.94)
iv.	Provision allowed under tax on payment basis	(289.28)	(327.00)	37.72	(115.68)
v.	Unabsorbed Long-Term Capital Loss	-	-	-	185.65
	Deferred Tax (Income) / Expense			438.42	(761.16)
	Net Deferred Tax (Assets) / Liabilities	4,323.85	3,885.43		

Reconciliation of Deferred Tax Liabilities (Net) :

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Opening Balance	3,885.43	4,646.59
Tax Expense/(Income) during the period recognised in Profit or Loss	438.42	(761.16)
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	-	-
Tax Expense/(Income) during the period recognised directly in Other Equity	-	-
Closing balance	4,323.85	3,885.43

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 23. BORROWINGS - CURRENT

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Borrowings Repayable on Demand		
From State Bank of India (Secured)		
Cash Credit	87.22	1,553.52
Total	87.22	1,553.52

Notes :

23.1 Primary Security

Cash Credit facilities from State Bank of India (SBI) are secured by exclusive hypothecation over entire Current Assets of the Company comprising stock of raw materials, work in process, finished goods, stock in trade, stores & spares and receivables, both present and future.

23.2 Rate of interest on various cash credit facilities from State Bank of India chargeable at 0.50% above 6 months MCLR (Present effective rate 9.15% p.a.) and rate of interest on export packing credit facility is chargeable at ARR + 2% for 90 days.

23.3 Quarterly statements of current assets filed by the company with banks are in agreement with the books of account.

Note - 24. TRADE PAYABLES - CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Total outstanding dues of micro enterprises and small enterprises*	12,587.93	8,184.95
2	Total outstanding dues of creditors other than micro enterprises and small enterprises*	9,405.76	10,912.11
	Total	21,993.69	19,097.06

* Disclosure with respect to amount due to MSME is given in Note No. 45 and due to related parties amounting to Rs. Nil Lakhs (PY Rs.503.59 Lakhs) is given in Note No. 40.

24.1 Ageing for Trade Payables as at 31st March, 2026 is as follows:

	Particulars	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i)	MSME	12,587.93	-	-	-	-	12,587.93
(ii)	Others	8,980.19	425.00	0.57	-	-	9,405.76
(iii)	Disputed Dues - MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
	Total	21,568.12	425.00	0.57	-	-	21,993.69

Ageing for Trade Payables as at 31st March, 2025 is as follows:

	Particulars	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
(i)	MSME	8,184.95	-	-	-	-	8,184.95
(ii)	Others	10,318.51	592.72	-	-	0.88	10,912.11
(iii)	Disputed Dues - MSME	-	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-	-
	Total	18,503.46	592.72	-	-	0.88	19,097.06

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 25. OTHER FINANCIAL LIABILITIES - CURRENT

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Unpaid dividends*	160.36	133.58
2	Retention money payable	26.13	101.20
3	Employee related payable	3,173.56	2,863.24
4	Other payable #	6,180.03	6,945.02
	Total	9,540.08	10,043.04

* Not due for deposit in the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at year end.

Other payable includes Sales Incentives and Other expenses payable.

Note - 26. OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Payable towards Statutory dues	2,474.64	2,338.73
2	Advances received from Customers	515.47	1,070.75
	Total	2,990.11	3,409.48

Note - 27. CURRENT PROVISIONS

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Provision for Leave Encashment	116.19	195.21
2	Provision for Loyalty Program	971.82	1,623.99
	Total	1,088.01	1,819.20

Refer Note No. 44 for Movement of Provisions

Note - 28. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Provision for tax (Net)	-	400.60
Total	-	400.60

Note - 29. REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from Operations		
A Revenue from Contracts with Customers		
(a) Sale of products (Building Products)	2,03,200.74	1,87,502.31
(b) Sale of services	84.36	64.89
	2,03,285.10	1,87,567.20
B Other Operating Revenue		
(a) Exports Incentives	32.79	46.53
(b) Insurance claims received	86.21	123.13
(c) Credit balances written back	1,350.60	3,414.97
(d) Miscellaneous operating Income	257.28	373.29
	1,726.88	3,957.92
Total	2,05,011.98	1,91,525.12

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 29. REVENUE FROM OPERATIONS (Contd.)

Notes :

29.1 Disaggregation of Revenue

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Product Type		
Goods	2,03,200.74	1,87,502.31
After Sales Services	84.36	64.89
Total	2,03,285.10	1,87,567.20
Contract Counterparties		
Dealers	2,03,195.86	1,87,487.74
Direct to Consumers	89.24	79.46
Total	2,03,285.10	1,87,567.20
Timing of Transfer of Goods and Services		
Point in time	2,03,285.10	1,87,567.20
Total	2,03,285.10	1,87,567.20

29.2 The expected credit loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 12.

29.3 The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 12 and 26 respectively.

29.4 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

Note – 30. OTHER INCOME

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Interest Income from Financial Assets at Amortised Cost		
	(a) On Security Deposits	20.96	18.61
	(b) Others	299.76	342.81
2	Other Non-operating Income		
	(a) Profit on Sale of Investments (Net)	68.06	312.77
	(b) Net Gain on Fair Valuation of Investments	4,009.48	5,202.81
	(c) Profit on Sale of Property, Plant and Equipment (Net)	55.06	77.64
	(d) Share of Profit on Investment in LLP*	149.78	228.15
	(e) Gain on Sale of Investment in Subsidiaries	553.50	-
	(f) Net Gain on foreign currency translation	53.28	10.29
	(g) Gain on termination of Lease (Net)	6.08	38.84
	(h) Miscellaneous Income	69.95	17.92
Total		5,285.91	6,249.84

* Refer Note No. 40

Note – 31. COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Opening Stock	4,861.47	4,069.14
Add: Purchases (Net)	26,808.78	25,965.06
Sub Total	31,670.25	30,034.20
Less: Closing Stock	5,045.11	4,861.47
Total	26,625.14	25,172.73

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 32. PURCHASES OF STOCK IN TRADE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Sanitaryware and other allied products	75,941.12	69,457.79
Total	75,941.12	69,457.79

Note - 33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Inventories at the end of the year :		
Finished Goods	14,439.90	17,462.17
Work-in-Progress	2,145.53	1,863.43
Stock-in-Trade	15,885.68	14,409.63
	32,471.11	33,735.24
Inventories at the beginning of the year :		
Finished Goods	17,462.17	16,298.70
Work-in-Progress	1,863.43	1,376.80
Stock-in-Trade	14,409.63	12,390.58
	33,735.23	30,066.08
Changes in Inventories	1,264.12	(3,669.16)

Note - 34. EMPLOYEE BENEFITS EXPENSE

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Salaries, Wages and Bonus*	23,065.48	21,406.75
2	Contribution to Provident Fund and Other Funds	1,335.91	1,174.22
3	Staff and Labour Welfare Expenses	1,541.85	1,573.32
Total		25,943.24	24,154.29

* Includes Compensation Expenses under ESOP Scheme Rs. 249.55 Lakhs (PY - 308.84 Lakhs). Refer Note No. 34.2

34.1 As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

A. Defined Contribution Plan

The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

B. Defined Benefit Plan

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

(i) Actuarial Assumptions :

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
Discount Rate	7.25%	7.25%	7.00%	7.00%
Rate of escalation in Salary	6.00%	6.00%	6.00%	6.00%
Attrition Rate	6.10%	6.00%	6.10%	6.00%
Expected Average working Life of employees (Years)	40.70	40.70	40.10	40.10

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 34. EMPLOYEE BENEFITS EXPENSE (Contd.)

(ii) Changes in the Present value of Defined Benefit Obligation :

Particulars	2025-26		2024-25	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
Present value of Obligation at the beginning of the year	2,590.80	951.85	2,360.49	829.64
Current Service Cost	313.52	203.19	233.86	174.54
Interest Cost	181.35	66.63	171.14	60.15
Past service Cost	557.04	223.64	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumptions (Gain)	(612.43)	(139.29)	42.58	12.89
Due to Experience adjustments (Loss)	550.61	438.70	72.87	193.90
Benefits paid	(252.02)	(846.19)	(290.14)	(319.27)
Present Value of Defined Benefit Obligation at the end of the year	3,328.87	802.65	2,590.80	951.85

(iii) Present Value of Change in the Fair value of Plan assets :

Particulars	2025-26		2024-25	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
Fair value of Plan Assets at the beginning of the year	2,594.47	-	2,360.00	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on Plan Assets	188.10	-	165.20	-
Actuarial Gain / (Loss)	(19.18)	-	(3.60)	-
Employer Contribution	1,033.00	-	363.01	-
Benefits paid	(252.02)	-	(290.14)	-
Fair Value of Plan Assets at the end of the year	3,544.37	-	2,594.47	-
Return on Plan Assets recognised in Other Comprehensive Income (Gain) / Loss	(42.64)	-	119.06	-
Actual return on Plan Assets	168.92	-	161.59	-

(iv) Expense recognized in the Statement of Profit & Loss :

Particulars	2025-26		2024-25	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
Current Service Cost	313.52	203.19	233.86	174.54
Interest Cost	181.36	66.63	171.13	60.15
Past Service Cost	557.04	223.64	-	-
Expenses deducted from the fund	-	-	-	-
Expected return on Plan Assets	(188.10)	-	(165.20)	-
Net Cost*	863.82	397.58	239.79	234.69

* Including Rs.780.68 Lakhs disclosed as Exceptional item.

(v) Expense recognized in the Statement of Other Comprehensive Income :

Particulars	2025-26	2024-25
	Post Retirement Benefits	
Actuarial changes arising from changes in financial assumption	(612.43)	42.58
Changes in Demographic assumption	-	-
Experience Adjustment (Gain) / Losses - Planned Liabilities	550.61	72.87

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 34. EMPLOYEE BENEFITS EXPENSE (Contd.)

(v) Expense recognized in the Statement of Other Comprehensive Income :

Particulars	2025-26	2024-25
	Post Retirement Benefits	
Experience Adjustment (Gain) / Losses - Planned Assets	19.18	3.61
OCI for the year	(42.64)	119.06

(vi) Assets & Liabilities Recognized in Balance Sheet :

Particulars	2025-26		2024-25	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
Fair value of Plan Assets	3,544.36	-	2,594.47	-
Less : Present value of Obligation	3,328.87	(802.65)	2,590.79	(951.85)
(Liabilities) / Assets amount of Plans recognised in Balance Sheet	215.49	(802.65)	3.68	(951.85)

(vii) Expected Contribution to fund in the next year :

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Gratuity	377.75	278.44

(viii) Sensitivity Analysis :

Particulars	Changes in assumption	Impact on Defined Benefit Obligation (Gratuity)					
		Increase in assumption			Decrease in assumption		
		Increase / Decrease by	31 st March, 2026	31 st March, 2025	Increase / Decrease by	31 st March, 2026	31 st March, 2025
Discount Rate	1%	Increase by	7%	7%	Decrease by	8%	8%
Salary Growth Rate	1%	Increase by	8%	8%	Decrease by	7%	7%
Withdrawal Rate	1%	Increase by	0%	0%	Decrease by	1%	0%

Particulars	Changes in assumption	Impact on Defined Benefit Obligation (Leave Encashment)					
		Increase in assumption			Decrease in assumption		
		Increase / Decrease by	31 st March, 2026	31 st March, 2025	Increase / Decrease by	31 st March, 2026	31 st March, 2025
Discount Rate	1%	Increase by	7%	7%	Decrease by	9%	8%
Salary Growth Rate	1%	Increase by	9%	8%	Decrease by	8%	7%
Withdrawal Rate	1%	Increase by	1%	1%	Decrease by	1%	1%

(ix) Maturity Profile of defined benefit obligation :

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1 st April 2025 to 31 st March 2026	-	267.14
1 st April 2026 to 31 st March 2027	377.71	186.78
1 st April 2027 to 31 st March 2028	230.14	173.70
1 st April 2028 to 31 st March 2029	227.47	168.03
1 st April 2029 to 31 st March 2030	173.27	125.24
1 st April 2030 to 31 st March 2031	217.56	-
1 st April 2030 onwards	-	1,669.90
1 st April 2031 onwards	2,102.73	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 34. EMPLOYEE BENEFITS EXPENSE (Contd.)

34.2 SHARE BASED PAYMENTS

a) Scheme Details :

The Nomination and Remuneration Committee and the Board of Directors of the Company in their respective meetings held on 6th April, 2024 and 8th April, 2024 approved an issue of stock options aggregating 14,950 equity shares of the face value of Rs. 5 each. The shareholders of the Company vide their special Resolution passed through postal ballot on 16 May, 2024 approved the issue of equity shares of the Company under Cera Sanitaryware Employee Stock Scheme 2024 (ESOP 2024).

Details of options granted by the Company under the said scheme are as follows :

Particulars	ESOP 2024
	Grant-1
No. of Options Granted	14,950
Grant Date	05-Jun-24
Vesting Schedule	The vesting period for conversion of Options for ESOP 2024 Grant 1 subject to achieving performance targets, are as follows: - On completion of 12 months from the date of grant of the Options: 10% vests - On completion of 24 months from the date of grant of the Options: 15% vests - On completion of 36 months from the date of grant of the Options: 15% vests - On completion of 48 months from the date of grant of the Options: 30% vests - On completion of 60 months from the date of grant of the Options: 30% vests
Maximum term of Exercise period	5 years from the date of vesting
Method of settlement	Equity
General terms and conditions of Plan	Each Option entitles the holder thereof to apply for and be allotted 1 Ordinary Share of the Company of Rs. 5.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of vesting in respect of Options granted under the plan. There are no cash settlement alternatives for employees.

b) Compensation expenses arising on account of share based payment :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Expenses arising from equity settled share-based payment transactions	249.37	308.84

c) Fair Value on the grant date :

The fair value of option at the Grant date has been done by an independent firm of Chartered Accountants on the date of grant using the Black-Scholes Model, which takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant are given below :

Particulars	ESOP 2024
	Grant-1
Grant Date	05-Jun-24
Exercise price (in Rs.)	5.00
Weighted Average Fair value (in Rs.)	6911.00
Risk-free interest rate	7.1%
Expected life	6.05 Years
Expected volatility	31.9%
Expected dividends	0.8%
The price of the underlying shares in market at the time of Option grant	6915.30

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 34. EMPLOYEE BENEFITS EXPENSE (Contd.)

Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options.
Expected life	The expected option life is assumed to be average between the option vesting and expiry (total time period available with an employee to exercise an option). Since there are multiple vesting and expiry period of each tranche, consequently the expected life will be different for each vesting schedule.

d) Movement in share options during the year (in Numbers) :

Particulars	2025-26	2024-25
	ESOP 2024	ESOP 2024
	Grant-1	Grant-1
Balance at the beginning of the year	14,950	-
Granted during the year	-	14,950
Exercised during the year	1,406	-
Forfeited / Lapsed during the year	-	-
Expired during the year	-	-
Balance at the end of the year	13,544	14,950
Exercisable at the end of the year	90	-

Note - 35. FINANCE COSTS

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Interest Costs		
	Interest on Financial Liabilities	620.41	695.68
2	Other Borrowing Costs	26.37	15.89
Total		646.78	711.57

Note - 36. DEPRECIATION & AMORTIZATION EXPENSE

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	2,783.95	2,791.63
2	Depreciation of Investment Property (Refer Note No. 5)	7.22	7.63
3	Amortization of Other Intangible assets (Refer Note No. 6)	48.94	88.93
4	Depreciation on Right-of-use Assets (Refer Note No. 46(i))	1,025.64	963.30
Total		3,865.75	3,851.49

NOTE - 37. OTHER EXPENSES

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Stores, Spares, Chemicals and Packing Materials Consumed	6,800.50	6,715.49
2	Power and Fuel	3,723.73	3,901.95
3	Repairs and Maintenance		
	- To Buildings	127.61	189.97
	- To Plant and Equipment	356.10	403.35
	- To Others	435.08	444.04

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

NOTE - 37. OTHER EXPENSES (Contd.)

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
4	Auditors' Remuneration		
	- As Audit Fees	16.25	16.25
	- For Limited Review	12.00	12.00
	- For Taxation Matter	4.25	4.25
	- For Reimbursement of Expenses	0.98	1.04
5	Research & Development Expenses	145.45	182.05
6	Freight and Forwarding Expenses (Net)	12,233.29	11,059.10
7	Sales Promotion Expenses	12,202.17	11,437.00
8	Publicity & Advertisement Expenses	4,944.17	5,432.58
9	Bad Debts written off	26.66	67.34
10	Allowance for / (Reversal of) Expected Credit Loss - Trade Receivables	179.17	(15.90)
11	Rent Expenses	706.27	699.57
12	Insurance	659.06	791.51
13	Rates and Taxes	34.16	30.76
14	Loss on Discard of Property, Plant and Equipment	10.51	223.30
15	Directors' Commission	20.00	20.00
16	Directors' Sitting Fees	5.60	6.40
17	Foreign Exchange Fluctuations (Net)	31.88	16.95
18	CSR Expenses (Refer Note No. 49)	517.39	469.29
19	Share Buyback Expenses	-	181.55
20	Amortization of Prepaid Rentals	22.59	20.81
21	Miscellaneous Expenses	5,104.94	5,025.93
Total		48,319.81	47,336.58

Note - 38. TAX EXPENSE

38.1 : Current Tax

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current Tax	6,054.27	6,721.97
Total	6,054.27	6,721.97

38.2 : Deferred Tax

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred Tax	438.42	(761.16)
Total	438.42	(761.16)

38.3 : Amounts recognised in Other Comprehensive Income

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Remeasurement of Defined Benefit Plans		
Before Tax	42.64	(119.06)
Tax (Expense) / Benefit	(10.73)	29.97
Net of Tax	31.91	(89.09)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 38. TAX EXPENSE (Contd.)

38.4 : Reconciliation of Effective tax rate

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Accounting Profit before Income Tax	26,911.25	30,609.24
India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)	6,773.02	7,703.73
Due to Income exempt from Taxation	(10.07)	(10.07)
Non-Deductible Expenses for Tax purpose	1,506.46	1,202.26
Deductible Expenses for Tax purpose	(1,881.71)	(3,479.91)
Income not chargeable for Tax purpose	2.83	38.21
Effects of Unabsorbed Fiscal Losses	-	185.65
Effects of Excess / (Less) Tax for Tax purpose on Capital Gain / Loss	102.16	320.94
Income Tax expense reported in the Statement of Profit and Loss	6,492.69	5,960.81

Note - 39. EARNINGS PER SHARE

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Net Profit attributable to the Equity Shareholders (Rs. In Lakhs) (A)	20,418.56	24,648.43
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	1,28,97,541	1,29,45,623
3	Nominal value of Equity Shares (Rs.)	5	5
4	Basic/Diluted Earnings per Share (Rs.) (A/B)	158.31	190.40

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains the same.

Note - 40. RELATED PARTY DISCLOSURES

40.1 Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place during the reported period.

(A) Subsidiaries (*):

Sr. No.	Particulars	Nature	Ownership Interest held by the Company directly or indirectly	
			As at 31 st March, 2026	As at 31 st March, 2025
1	Packcart Packaging LLP	Subsidiary	-	51%
2	Race Polymer Arts LLP	Subsidiary	-	51%

*Ceased to be a subsidiary w.e.f. September 29, 2025. Refer Note No. 7.1(C)

(B) Key Management Personnel:

Sr. No.	Name	Designation
1	Shri Vikram Somany	Chairman & Managing Director
2	Smt. Deepshikha Khaitan	Vice Chairman & Joint Managing Director
3	Shri Anupam Gupta	Executive Director (Technical)
4	Shri Vikas Kothari	Chief Financial Officer
5	Shri Hemal Sadiwala	Company Secretary
6	Shri Surendra Singh Baid	Non Executive Independent Director
7	Ms. Akriti Jain	Non Executive Independent Director
8	Shri Ravi Bhamidipaty	Non Executive Independent Director
9	Shri Anandh Sundar	Non Executive Independent Director

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 40. RELATED PARTY DISCLOSURES (Contd.)

(C) Other Related Parties:

(a) Enterprises significantly influenced by Key Management Personnel and / or their relatives

- 1 Madhusudan Industries Limited
- 2 Cera Foundation
- 3 Indian Council of Sanitaryware Manufacturers

(b) Post Employment Benefit Plans

- 1 Madhusudan Gratuity Fund

40.2 Disclosures of Transactions during the year between the Company and Related Parties:

Sr. No.	Nature of Transaction	Subsidiaries*		Key Management Personnel		Other Related Parties	
		Year ended 31 st March, 2026	Year ended 31 st March, 2025	Year ended 31 st March, 2026	Year ended 31 st March, 2025	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Purchase of Goods	2,119.09	4,292.10	-	-	-	-
2	Remuneration	-	-	2,044.63	1,903.94	-	-
3	Directors Commission & Sitting Fees	-	-	25.60	26.40	-	-
4	Share based payments	-	-	83.94	104.31	-	-
5	Rent, Rates & Taxes	-	-	-	-	128.08	108.79
6	Other Service	-	-	-	-	6.66	20.10
7	Contribution to Gratuity Fund	-	-	-	-	1,033.00	359.34
8	Advance to KMP	-	-	15.00	-	-	-
9	Share of Profit distribution in LLP	149.78	228.15	-	-	-	-
10	Proceeds from Divestment of Subsidiaries (LLP)	1,154.28	-	-	-	-	-

* Refer Note No. 7.1(C)

40.3 The details of amounts due to or due from related parties as at 31st March, 2026 and 31st March, 2025:

Sr. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1	Trade Payables		
	Subsidiaries (*)		
	Packcart Packaging LLP	-	55.58
	Race Polymer Arts LLP	-	448.01
	Total Trade Payable to Subsidiaries	-	503.59
2	Other Financial Assets & Advances		
	Key Management Personnel:		
	Staff Advance to Key Management personnel	8.75	-
	Other Related Parties		
	Madhusudan Industries Ltd	20.29	20.29
	Balances of advances to Related Parties	29.04	20.29
3	Other Current Assets		
	Subsidiaries (*)		
	Packcart Packaging LLP	-	19.58
	Race Polymer Arts LLP	-	556.52
	Balances of other current assets - Related Parties	-	576.10

* Refer Note No. 7.1(C)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 40. RELATED PARTY DISCLOSURES (Contd.)

40.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Sr. No.	Particulars	Related Parties	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Remuneration	Key Management Personnel	2,044.63	1,903.94
2	Directors Commission & Sitting Fees	Key Management Personnel	25.60	26.40
3	Share based payments	Key Management Personnel	83.94	104.31
4	Rent, Rates & Taxes	Madhusudan Industries Limited	128.08	108.79
5	Other Services	Madhusudan Industries Limited	6.66	20.10
6	Contribution to Gratuity fund	Madhusudan Gratuity Fund	1,033.00	359.34
7	Share of Profit distribution in LLP	Packcart Packaging LLP*	8.45	28.01
		Race Polymers Arts LLP*	141.33	200.14
8	Proceeds from Divestment of Subsidiaries	Packcart Packaging LLP*	202.14	-
		Race Polymers Arts LLP*	952.14	-

* Refer Note No. 7.1(C)

40.5 Breakup of compensation to Key Management Personnel

Sr. No.	Particulars	Key management personnel	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Short-Term Employee Benefits	Shri Vikram Somany	841.38	848.43
		Smt. Deepshikha Khaitan	456.92	400.62
		Shri Anupam Gupta	487.91	428.98
		Shri Vikas Kothari	155.46	138.34
		Shri Hemal Sadiwala	39.12	34.33
2	Commission	Shri Ravi Bhamidipaty	5.00	5.00
		Shri Surendra Singh Baid	5.00	5.00
		Ms. Akriti Jain	5.00	5.00
		Shri Anandh Sundar	5.00	5.00
3	Sitting Fees	Shri Ravi Bhamidipaty	1.40	1.60
		Shri Surendra Singh Baid	1.40	1.60
		Ms. Akriti Jain	1.40	1.60
		Shri Anandh Sundar	1.40	1.60
4	Post-Employment Benefits		-	-
5	Other-Long term benefits	Shri Vikram Somany	31.18	28.34
		Smt. Deepshikha Khaitan	8.81	7.79
		Shri Anupam Gupta	15.05	13.32
		Shri Vikas Kothari	7.37	3.41
		Shri Hemal Sadiwala	1.43	0.38
6	Share Based Payments		83.94	104.31
Total			2,154.17	2,034.65

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Company's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are outlined hereunder:

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors and the Risk Management Committee. They provide principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables, advances and investments.

(i) Trade Receivables:

The Company extends credits to customers in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdictions and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Company generally does not hold any collateral or other credit enhancements over any of its trade receivables excepting a small amount in the nature of security deposits from its dealers, nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Expected Credit Loss (ECL):

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for internal and external information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the Company's provision matrix.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Ageing of past dues receivables:

Period	As at 31 st March, 2026	As at 31 st March, 2025
0-3 months	26,310.44	25,608.61
3-6 months	564.81	667.00
6-12 months	275.95	316.74
Beyond 12 months	1,774.61	1,563.77

Ageing of impaired trade receivables:

Period	As at 31 st March, 2026	As at 31 st March, 2025
0-3 months	-	-
3-6 months	-	3.28
6-12 months	5.96	42.96
Beyond 12 months	1,532.92	1,313.47

(ii) Cash and cash equivalents and short-term investments:

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

(B) Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The details of the contractual maturities of significant liabilities are shown below :

Particulars	Notes	As at 31 st March, 2026			
		Within 1 year	1 to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	23	87.22	-	-	87.22
Trade Payables	24	21,993.12	0.57	-	21,993.69
Other Financial Liabilities	20,25	9,540.08	3,148.87	-	12,688.95
Lease Liabilities	46(iii)	903.91	3,327.17	351.56	4582.64
Total		32,524.33	6,476.61	351.56	39,352.50

Particulars	Notes	As at 31 st March, 2025			
		Within 1 year	1 to 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	23	1,553.52	-	-	1,553.52
Trade Payables	24	19,096.18	0.88	-	19,097.06
Other Financial Liabilities	20,25	10,043.04	3,014.46	-	13,057.50
Lease Liabilities	46(iii)	781.88	2,533.50	1,475.50	4790.88
Total		31,474.62	5,548.84	1,475.50	38,498.96

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

(C) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest risk and other price risk such as commodity risk.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Company does not enter into financial instrument transactions for trading or speculative purpose.

The Company transacts business primarily in Indian Rupees, USD, Euro and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in Lakhs)			
Particulars	Currency	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables	USD	1.54	0.95
	EUR	0.07	1.02
Trade payables	USD	0.10	0.03
Advance to suppliers	USD	1.21	2.35
	EUR	0.48	0.03
	GBP	-	0.04
Advance from customers	USD	0.95	0.47
	EUR	0.09	0.29
Balance in EEFC account	USD	0.27	0.01

(In Rs.)		
Currency Rate	31 st March, 2026	31 st March, 2025
USD	93.8627	85.4317
EUR	108.0910	92.4455
AED	25.8262	23.2698
GBP	123.7470	110.6671
NPR	0.6250	0.6250

Of the above foreign currency exposures, following exposures are not hedged:

(in Lakhs)			
Particulars	Currency	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables	USD	1.54	0.95
	EUR	0.07	1.02
Trade payables	USD	0.10	0.03
Advance to suppliers	USD	1.21	2.35
	EUR	0.48	0.03
	GBP	-	0.04

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Of the above foreign currency exposures, following exposures are not hedged:

(in Lakhs)

Particulars	Currency	As at 31 st March, 2026	As at 31 st March, 2025
Advance from customers	USD	0.95	0.47
	EUR	0.09	0.29
Balance in EEFC account	USD	0.27	0.01

Sensitivity Analysis:

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in currency exchange rate	Effect on PBT 31 st March, 26	Effect on PBT 31 st March, 25
USD	5%	9.24	12.03
	-5%	-9.24	-12.03
EUR	5%	2.43	3.48
	-5%	-2.43	-3.48
GBP	5%	-	0.24
	-5%	-	-0.24

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

(ii) Interest Rate Risk:

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board. However, the risk is very low due to negligible borrowings by the Company.

The Company's non-current borrowings from banks are Nil as at 31st March, 2026 and 31st March, 2025 respectively. Other non-current financial liabilities have fixed rate of interest where the risk of changes in the interest rates is almost nil. As a result, the sensitivity affecting the profit before tax due to the Company's exposure to the risk of changes in market interest rates is almost nil.

(iii) Commodity Risk:

The Company is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Company enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

Capital Management:

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note 23, cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note – 41: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total shareholders' equity as reported in balance sheet (A)	1,47,233.85	1,35,034.32
Net Debt		
Lease Liability (including current lease liability)	4,582.64	4,790.88
Current Financial Liabilities (Borrowings)	87.22	1,553.52
Gross Debt	4,669.86	6,344.40
Less: Cash & Cash Equivalents	1,284.72	411.84
Net Debt (B)	3,385.14	5,932.56
Total Capital deployed (A-B)	1,43,848.71	1,29,101.76
Net debt to equity ratio (B/A)	0.02	0.04

Note – 42. ADDITIONAL REGULATORY INFORMATION

Ratios

Particulars	Numerator	Denominator	2025-26	2024-25	Variance
Current ratio (in times)	Total Current Assets	Total Current Liabilities	4.26	3.80	12.1%
Debt - Equity ratio*	Debt = Borrowings + Lease Liabilities (Non-current + Current)	Total Equity	0.03	0.05	-32.5%
Debt services coverage ratio (in times)	Earning available for debt service = Net Profit after taxes + Non cash operating expenses + Interest + Loss on sale of Fixed Assets + Impairment allowance + Allowances for Expected Credit Losses	Debt Service = Interest + Lease payments	10.47	12.61	-17.0%
Return on equity ratio (in %)	Net Profits after taxes	Average Equity	14.47%	18.31%	-21.0%
Inventory Turnover ratio (in Times)	Revenue from Operations excluding GST	Average Inventory	5.12	5.01	2.1%
Trade Receivables turnover ratio (in times)	Revenue from Operations including GST	Average Trade Receivable	8.90	9.58	-7.1%
Trade Payable turnover ratio (in times)	Purchases including GST	Average Trade Payable	6.30	6.48	-2.8%
Net capital turnover ratio (in times)	Revenue from Operations excluding GST	Working Capital = Total Current Assets - Total Current Liabilities	1.72	1.84	-6.8%
Net Profit ratio (in %)	Net Profits after taxes	Revenue from Operations excluding GST	9.96%	12.87%	-22.6%
Return on capital employed (in %)	Profit before exceptional items, tax and finance cost	Capital employed = Total Equity + Non-Current Liabilities	17.80%	21.41%	-16.9%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	6.61%	8.66%	-23.7%

* The decrease in the debt-equity ratio during FY25-26 is primarily attributable to a reduction in overall borrowings compared to the previous year.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note-43. FINANCIAL INSTRUMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments.

Particulars	Carrying value		Fair value		Fair value measurement using
	As at 31 st March, 2026	As at 31 st March, 2025	As at 31 st March, 2026	As at 31 st March, 2025	
Financial Assets					
Current					
Investments (measured at fair value)	80,120.32	67,174.19	80,120.32	67,174.19	Level 1
Financial assets measured at amortised cost					
Non-Current					
Investments in Subsidiaries (LLP) & Associate	-	600.78	-	600.78	Level 3
Other Investments	1,380.71	2,393.73	1,380.71	2,393.73	Level 3
Margin Money Deposits with a bank held as security with more than 12 months maturity	85.26	215.38	85.26	215.38	Level 3
Security Deposit	225.21	216.80	225.21	216.80	Level 3
Bank FDs with more than 12 months maturity	44.21	39.51	44.21	39.51	Level 3
Current					
Security Deposit	143.59	122.68	143.59	122.68	Level 3
Trade receivables	27,386.93	26,796.41	27,151.20	26,592.35	Level 3
Cash and cash equivalents	1,284.72	411.84	1,284.72	411.84	Level 3
Other Balances with Banks	3,521.66	2,208.42	3,521.66	2,208.42	Level 3
Insurance claims receivables	25.45	72.01	25.45	72.01	Level 3
Advance to Staff	42.50	21.79	42.50	21.79	Level 3
Interest accrued and receivable	40.49	74.90	40.49	74.90	Level 3
Total	1,14,301.05	1,00,348.44	1,14,065.32	1,00,144.38	

Particulars	Carrying value		Fair value		Fair value measurement using
	As at 31 st March, 2026	As at 31 st March, 2025	As at 31 st March, 2026	As at 31 st March, 2025	
Financial Liabilities					
Financial liabilities measured at amortised cost					
Non-Current					
Lease liabilities	3,678.73	4,009.00	3,678.73	4,009.00	Level 3
Deposits by Dealers	3,126.64	2,992.23	3,126.64	2,992.23	Level 3
Other financial liabilities	22.23	22.23	22.23	22.23	Level 3
Current					
Borrowings	87.22	1,553.52	87.22	1,553.52	Level 3
Lease liabilities	903.91	781.88	903.91	781.88	Level 3
Trade payables	21,993.69	19,097.06	21,993.69	19,097.06	Level 3
Unpaid dividends	160.36	133.58	160.36	133.58	Level 3
Retention money payable	26.13	101.20	26.13	101.20	Level 3
Employee related payables	3,173.56	2,863.24	3,173.56	2,863.24	Level 3
Other payables	6,180.03	6,945.02	6,180.03	6,945.02	Level 3
Total	39,352.50	38,498.96	39,352.50	38,498.96	

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note-43. FINANCIAL INSTRUMENTS (Contd.)

Notes:

43.1 All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There have been no transfers between Level 2 and Level 3 during the period.

43.2 The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

43.3 The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

43.4 The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

43.5 The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

Note-44. MOVEMENT IN PROVISIONS

Disclosure of Movement in Provisions during the year as per Ind AS - 37, Provisions, Contingent Liabilities and Contingent Assets :

Particulars	Balance as on 1 st April, 2025	Provided / Transferred during the year	Paid / Adjusted during the year	Balance as on 31 st March, 2026
Non-current Provisions				
- Accumulated leaves	756.65	580.79	650.98	686.46
- Income Tax of earlier years	286.78	-	141.27	145.51
Total	1,043.43	580.79	792.25	831.97
Current Provisions				
- Accumulated leaves	195.21	116.19	195.21	116.19
- Gratuity	-	817.51	817.51	-
- Loyalty Program *	1,623.99	2,444.91	3,097.08	971.82
Total	1,819.20	3,378.61	4,109.80	1,088.01
Grand total	2,862.63	3,959.40	4,902.05	1,919.98

* Provision for Loyalty Program represents the liability w.r.t. the defined schemes offered to sub dealers of the Company with an option to avail it within a predefined timeframe.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note-45. DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information available with the Company.

Particulars	31 st March, 2026	31 st March, 2025
a) The principal amount remaining unpaid to any supplier at the end of the year	12,587.93	8,184.95
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note-46. LEASES

(i) Changes in the carrying value of Right-of-use assets

Particulars	Category of Right-of-use asset		
	Land	Buildings	Total
Balance as at 1st April, 2024	6.88	2,131.09	2,137.97
Additions during the year	-	3,371.55	3,371.55
Termination during the year	-	(219.75)	(219.75)
Depreciation	(0.59)	(962.71)	(963.30)
Balance as at 31st March, 2025	6.29	4,320.18	4,326.47
Additions during the year	-	675.78	675.78
Termination during the year	-	(23.01)	(23.01)
Depreciation	(0.59)	(1,025.05)	(1,025.64)
Balance as at 31st March, 2026	5.70	3,947.90	3,953.60

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 36)

(ii) Movement in Lease Liabilities

Particulars	2025-26	2024-25
Opening Balance	4,790.88	2,380.09
Finance cost accrued during the year	509.38	508.82
Additions during the year	675.78	3,371.55
Termination during the year	(29.09)	(258.60)
Payment of lease liabilities	(1,364.31)	(1,210.98)
Closing Balance	4,582.64	4,790.88

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note-46. LEASES (Contd.)

(iii) Break-up of current and non-current lease liabilities

Particulars	2025-26	2024-25
Non-current lease liabilities	3,678.73	4,009.00
Current lease liabilities	903.91	781.88
Total	4,582.64	4,790.88

(iv) Contractual maturities of lease liabilities on undiscounted basis

Particulars	31 st March, 2026	31 st March, 2025
Not later than one year	1,336.99	1,230.60
Later than one year but not later than five years	3,714.49	3,677.04
Later than five years	1,074.22	1,748.83
Total	6,125.70	6,656.47

Note-47. COMMITMENTS AND CONTINGENCIES

(a) Commitments

Particulars	31 st March, 2026	31 st March, 2025
Estimated Amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	213.91	69.55

(b) Contingent Liabilities

Particulars	31 st March, 2026	31 st March, 2025
Claims against the Company not acknowledged as debts (Net of Payments)	2,909.95	218.34
Letters of Credit (Foreign & Inland) opened and guarantees given (Net)	760.25	631.78

Note-48. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

For Subsidiaries (@)

Particulars	Packcart Packaging LLP		Race Polymer Arts LLP	
	As at 31 st March, 2026	As at 31 st March, 2025	As at 31 st March, 2026	As at 31 st March, 2025
Investments*				
At the beginning of the year	90.78	90.78	510.00	510.00
Addition during the year	-	-	-	-
Divestment during the year	(90.78)	-	(510.00)	-
At the end of the year	-	90.78	-	510.00
Other Current Assets**				
At the beginning of the year	19.58	17.26	556.52	356.38
Addition during the year	8.45	28.01	141.33	200.14
Recovered/Transferred during the year	-	(25.69)	-	-
Divestment during the year	(28.03)	-	(697.85)	-
At the end of the year	-	19.58	-	556.52

*The company has paid amounts towards its Capital Contribution.

** Represents current account of the Company in respective LLP.

@ The Company ceased to be a partner in Packcart Packaging LLP and Race Polymer Arts LLP upon its retirement from the LLP effective from 29th September, 2025. Accordingly, the Investments and Other Current Assets in these LLP's have been settled during the year.

Consequent to this divestment, both "Packcart" and "Race" have ceased to be subsidiaries of the Company with effect from the said date. Post divestment of its investment in the 2 LLPs, there were no other subsidiaries or Associates of the Company. Hence the Company is not required to prepare its consolidated financial Statements for the financial year 2025-26 and thereafter in accordance with the requirements of Ind AS 110 – Consolidated Financial Statements. Accordingly, the Company has only published its financial statements for the year ended 31st March 2026.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note - 49. NOTE ON CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are community healthcare, free food, sanitation & hygiene, environmental sustainability and education. A CSR committee has been formed by the Company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

Sr. No.	Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
1	Gross amount required to be spent by the Company during the year	517.38	474.87
2	Amount approved by the Board to be spent during the year	517.38	474.87
3	Amount spent during the year on :		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	517.39	469.29
4	Shortfall at the end of the year	-	-
5	Total of previous year shortfall	-	-
6	Reason for shortfall	NA	NA
7	Excess spent of previous year brought forward to current year	0.77	6.35
8	Excess spent of current year carried forward to next year	0.78	0.77
9	Contribution to section 8 companies, which are related parties, included in (3) above, in relation to CSR expenditure	NA	NA
10	Nature of CSR activities:	Promoting Education and enhancing vocational skills, Eradicating hunger, poverty, Malnutrition, promoting health care and sanitation, Ensuring environmental sustainability, Rural Development, Disaster management, including relief, rehabilitation and reconstruction activities.	

49.1 The Company does not have any ongoing CSR projects for both the years.

49.2 No expenditure has been paid to a related party, in relation to CSR Expenditure.

49.3 There are no short falls at the end of the year.

Note-50. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development expenditure incurred is set out below

Particulars	2025-26	2024-25
Capital expenditure	1.24	96.28
Revenue expenditure	145.45	182.05

Note-51. OPERATING SEGMENTS

The Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segments as required under IND AS 108 "Operating Segment". The Revenue from transactions with the single external customer amounting to 10% or more of the Company's Revenue is Nil.

Note-52

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

NOTE-53. DIVIDENDS PAID AND PROPOSED

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
A. Declared and paid during the year:		
Final dividend for FY 2024-25 : Rs. 65/- per share (FY 2023-24 : Rs. 60/- per share)	8,383.40	7,803.52
B. Proposed for approval at the ensuing annual general meeting (not recognised as a liability):		
Final dividend for FY 2025-26 : Rs. 75/- per share (FY 2024-25 : Rs. 65/- per share)	9,673.16	8,383.40

Dividend Remittance to Foreign Investors (Rs.)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Number of non-resident shareholders	1788	1550
Number of shares held by them on which dividend was paid	2291969	2864564
Amount remitted - Net of Tax (Rs. In Lakhs)	1,261.91	1,459.59

Note- 54. ADDITIONAL REGULATORY INFORMATION

The following additional disclosures are made pursuant to notification of Ministry of Corporate Affairs dated 24th March 2021.

1. Title deeds of Immovable Properties

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company itself.

2. Revaluation of Property, Plant & Equipment

The company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

3. Loans / Advances in the nature of loans to Promoters, Directors, KMP's and Related Parties

The Company has not made any loans or advances in the nature of loans to Promoters, Directors, KMP's and the related parties which are outstanding as at the end of the current year and previous year.

4. Details of Benami Property held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

5. Wilful Defaulter

None of the banks, financial institutions or other lenders from whom the company has borrowed funds has declared the company as a wilful defaulter at any time during the current year or in previous year.

6. Relationship with Struck off Companies

The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

7. Registration of charges or satisfaction with Registrar of Companies (ROC)

All the charges or satisfaction of which is required to be registered with Registrar of Companies (ROC) have been duly registered within the statutory time limit provided under the provisions of Companies Act 2013 and rules made thereunder.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note- 54. ADDITIONAL REGULATORY INFORMATION (Contd.)

8. Compliance with number of layers of companies

The company does not have investment in subsidiary companies and accordingly the disclosure as to whether the company has complied with the number of layers of companies prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

9. Compliance with Approved Scheme of Arrangements

No scheme of compromise or arrangement has been proposed between the company & its members or the company & its creditors under section 230 of the companies act 2013 ("The Act") and accordingly the disclosure as to whether the scheme of compromise or arrangement has been approved or not by the competent authority in terms of provisions of sections 230 to 237 of the act is not applicable.

10. Borrowing from Banks and Financial Institutions for Specific Purpose

All the borrowings from banks and financial institutions have been used for the specific purposes for which they have been obtained.

11. Utilisation of Borrowed funds and Share Premium

a) The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

12. Borrowings on the basis of security of Current Assets

The Company has working capital facilities from banks on the basis of security of current assets & are submitting periodically Financial Information as per the terms & conditions of sanction letters. There are no material discrepancies in the amount of current assets between quarterly Financial Information and books of accounts.

13. There were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

Note-55. EXCEPTIONAL ITEMS

- a) The Government of India had consolidated 29 existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes', which became effective from 21st November 2025. However, the new Rules are yet to be notified even as on date.

Based on FAQ's and clarifications issued by the Ministry of Labour, deliberations at various forums and also professional advice obtained based on detailed examination of final wage structure and the various provisions of the above new Labour Codes, the Company, based on Actuarial Valuation, has determined that the incremental estimated liabilities as on March 31, 2026 on account of past service cost in relation to Gratuity and Leave liability amounted to Rs.780.68 Lakhs which has been disclosed under "Exceptional items".

The Company continues to monitor the finalisation of Central / State Rules and further clarifications from the Government on other aspects of the Labour Codes and will account for any additional impact, if required, based on such developments.

- b) During FY-2024-25, the Company agreed to an amicable full and final settlement with M/s. Milo Tile LLP to settle all its ongoing disputes which were pending in arbitration and had retired from the Partnership in the said LLP. Pursuant to this settlement, the entire investment of Rs. 806.00 Lakhs in Milo Tile LLP was not recoverable, hence written off by adjusting against the impairment loss provided (Rs. 655.57 Lakhs up to FY 2023-24 and remaining amount of Rs. 150.43 Lakhs in FY-2024-25) and disclosed as an exceptional item . Refer Note No. 7.1(D)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2026

(All amounts are in rupees lakhs, unless otherwise stated)

Note-56

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with relevant Indian Accounting Standard and Schedule III to the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue from Operations. Revenue for the year ended 31st March, 2026 and 31st March, 2025 are net of GST.

The following additional information is being provided to facilitate such understanding.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from Operations (Gross)	2,41,187.39	2,24,843.31
Less : GST Recovered	36,175.41	33,318.19
Revenue from Operations (Net)	2,05,011.98	1,91,525.12

Note-57

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

The accompanying notes are integral part of these Financial Statements.

As per our report of even date attached.

For Singhi & Co.

Chartered Accountants

(Firm Registration No. : 302049E)

Vikram Somany

Chairman & Managing Director

DIN: 00048827

Sudesh Choraria

Partner

Membership No. 204936

Vikas Kothari

Chief Financial Officer

Mem. No. ACA 114368

Deepshikha Khaitan

Vice Chairman & Joint Managing Director

DIN: 03365068

Place: Ahmedabad

Date: 8th May, 2026

Hemal Sadiwala

Company Secretary

Mem. No. ACS 20741

Anupam Gupta

Executive Director (Technical)

DIN: 09290890

