

Date: 20<sup>th</sup> July, 2024

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai — 400 001  
Scrip Code: 531548

National Stock Exchange of India Ltd. (NSE)  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai — 400 051  
Symbol: SOMANYCERA

Dear Sir/Madam,

**Subject: Submission of Annual Report and Notice of 56<sup>th</sup> Annual General Meeting of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

This is further to our Letter dated 15<sup>th</sup> May, 2024 and 11<sup>th</sup> July, 2024, wherein, the Company had informed that the 56<sup>th</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, the 12<sup>th</sup> August, 2024 at 11:30 A.M. (IST) through Video Conferencing or Other Audio Visual Means in compliance with the applicable regulatory provisions.

In terms of the requirement of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith submitting the Annual Report of the Company along with the Notice of AGM for the Financial Year 2023-24.

The Company has sent the same today through electronic mode to the Members who have registered their E-Mail IDs with the Company's R&TA/ Depository Participant. The Notice of AGM along with the Annual Report for the Financial Year 2023-24 is also available on the website of the Company viz. [www.somanyceramics.com](http://www.somanyceramics.com). Further, the Notice of AGM is also available on the website of Central Depository Services (India) Limited at [www.evotinnindia.com](http://www.evotinnindia.com).

This is for your information & records.

Thanking you,

Yours Faithfully,  
**For Somany Ceramics Limited**

**Amrish Julka**  
**Sr. GM (Legal) & Company Secretary**  
**M. No. F4484**

**Encl: As above**



Integrated Annual Report 2024  
Somany Ceramics Limited

**SOMANY**  
TILES | BATHWARE

**Embracing the**

**FUTURE**

# Across the PAGES

## 01–87 Corporate Overview

01	About the Report
02	Embracing the Future
04	About the Company
06	Our Journey
08	Key Performance Indicators
10	Product Portfolio
14	Chairman's Message
18	Message from the MD
22	Operating Environment
24	Strengths
26	Economic Value Creation
28	Business Model
30	Materiality Assessment
32	Stakeholder Engagement
34	Our Capitals
38	Financial Capital
44	Manufactured Capital
48	Intellectual Capital
52	Human Capital
62	Social & Relationship Capital
70	Natural Capital
74	Governance
78	Board of Directors
84	Risk Management
86	Awards

## 88–199 Statutory Reports

88	Management Discussion and Analysis
109	Board's Report
138	Corporate Governance Report
161	Business Responsibility & Sustainability Report

## 200–357 Financial Statements

200	Standalone
276	Consolidated

**For more investor-related information, please visit:**

<https://www.somanyceramics.com/investor-relation/annual-reports>

**Or simply scan the QR code below**



## Investor Information

Market Cap:	₹ 2,36,734 Lakhs
CIN:	L40200WB1968PLC224116
BSE Code:	531548
NSE Symbol:	SOMANYCERA
Bloomberg Code:	SOMC:IN
Dividend Declared:	₹ 3 per share
AGM Date:	12 August, 2024
AGM Mode:	Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM')

### Disclaimer

This document contains statements about expected future events and financials of Somany Ceramics Limited ('The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# About the REPORT



## Reporting Approach

As a principal document, this Integrated Annual Report (Report) emphasizes on providing an understanding of strategies, business models and major impact across economic, social, and environmental areas of Somany Ceramics Limited ('Somany' or 'Somany Ceramics,' 'The Company'). Aligned with the Company's business strategy, the Report describes the material issues that influence Somany's ability to create sustainable value. The Report forms an integral part of the Company's strategy and business practices. And thus, also highlights the key aspects of social and environmental sustainability.



## Scope and Boundary

This Report uses a holistic approach and furnishes information for the year ended 31 March, 2024. It adequately captures information on all business activities that the Company undertakes for creating value in the short, medium, and long term. The environmental and social disclosures in this Report have been made on a standalone basis and are limited to the operational boundary of Somany.



## Frameworks

This Report follows the principles of the IFRS Foundation's Integrated Reporting Framework, which aims to address the needs of our various stakeholders. The Company fully complies with the NSE and BSE listings and SEBI guidelines. The statutory reports, including the Director's Report, Management Discussion and Analysis (MD&A) section, the Corporate Governance Report, and the Business Responsibility and Sustainability Report, are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.



## Leadership Accountability

The Company's senior management, under the supervision of the Managing Director & CEO, has reviewed the Report content. The Board members of Somany have provided the necessary governance oversight.



# Embracing the FUTURE

## The future depends on what you do today.

Companies today are recognizing the imperative of embracing innovation and change to stay relevant. Through various proactive measures, they can not only future-proof their operations but also position themselves as leaders in shaping tomorrow's industries. Somany Ceramics is at the cusp of such a transformative era, driven by innovation, sustainability, and a relentless pursuit of excellence. As the Company embraces the future, it envisions a world where the Company's products not only enhance the aesthetics of spaces but also contribute to a greener, more sustainable planet. Somany's journey is defined by a commitment to pioneering advancements in ceramic technology, fostering an inclusive and dynamic workplace, and setting new benchmarks in customer satisfaction.

The Company's commitment to quality, innovation, sustainability, and adaptability positions it as industry leaders, driving revenue growth and positive brand perception while transforming spaces and enriching lives.

With the launch of the Somany Max Coverstone Collection, the Company has taken a major leap forward in its journey of progress and pioneering innovation in the ceramics industry. This collection showcases its commitment to pushing the boundaries of design and technology, offering unparalleled quality and aesthetic appeal.

Somany Ceramics' focus extends beyond products to the very heart of its operations. The Company is building a culture that values continuous learning, embraces diversity, and encourages creativity. The Company's team is its greatest asset, and it is dedicated to providing an environment where every individual can thrive and contribute to Somany's shared vision.

Going forward, Somany Ceramics is committed to making a lasting impact through sustainable practices, innovative solutions, and unparalleled quality. The Company is embracing the future with confidence, courage, and a steadfast dedication to excellence and shaping a brighter, more beautiful world.

# FUTURE

## About the Company

### Pioneering Design

# EMBRACING FUTURE

Incorporated in 1968, Somany Ceramics Limited ('Somany' or 'Somany Ceramics' or 'The Company') has established itself as a key player in the Indian tiles industry. Over the years, the Company has consistently capitalized on growth opportunities in tiles, sanitaryware, and bath fitting solutions, positioning itself as the second-largest tile company in India.

Founded over 50 years ago by Late Shri Hira Lall Somany Ji, the Somany brand, under the adept leadership of Mr. Shreekant Somany, Chairman & Managing Director, and Mr. Abhishek Somany, Managing Director & CEO, has become synonymous with quality tiles and bathware in India. The Company stands as a comprehensive décor solutions provider with the most extensive product range in all categories. This includes ceramics (wall and floor tiles), polished vitrified and glazed vitrified tiles, Sanitaryware, and bath fittings.

### Embracing Innovation and Quality

Somany Ceramics is propelled by astute business practices and a strong growth-oriented approach. This strategy has allowed the Company to progress steadily while expanding its capacity to meet the increasing demands of a growing India. Somany is regarded as the epitome of quality and durability in both Indian and international markets. The Company has firmly established itself as an unrivaled leader in innovation and design. Somany

Ceramics is committed to continuously strengthening its export presence with the best and most diverse range of wall and floor tiles, sanitaryware, and bath fittings. With a global footprint extending from Europe to the Middle East and from Asia to Africa, Somany stands as a global leader and an undisputed authority in its segment.



#### Vision

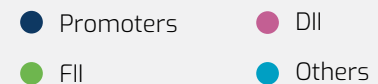
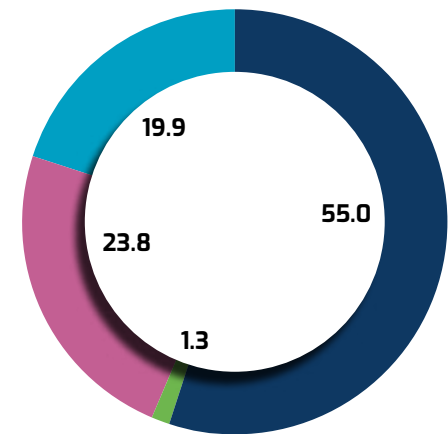
Most sought after tile and allied product company in India and be the best employer in the tile industry.



#### Mission

Achieving customer delight through business innovation and cost effectiveness while pursuing latest fashion trends in ceramics and allied products for creating stakeholders values.

### Shareholding Pattern (as on 31 March, 2024) Holding (in %)



### Setting Standards

Somany Ceramics offers a wide range of sanitaryware and bath fitting solutions to a diverse customer base. The Company ensures a deep connection with customers across the country through a robust network of dealers and exclusive showrooms.

## Robust Manufacturing Facilities

The Company operates 11 state-of-the-art manufacturing units located across India. With these facilities, Somany has a combined tile production capacity of 61.57 million square meters, manufacturing 0.78 million pieces of sanitaryware, and 1.30 million pieces of bath fittings annually.



## Annual Capacity across our Manufacturing Facilities

**Tiles** (in million square meter)

Own		Subsidiaries/ Associates	
100%	23.32	60%	7.08
Kassar, Haryana		Sudha Somany Ceramics Private Limited	
100%	6.65	51%	6.30
Kadi, Gujarat		Amora Tiles Private Limited	
100%	3.48	50%	4.80
Somany Piastrelle Private Limited		Vintage Tiles Private Limited	
80%	4.00	26%	3.30
Somany Max Private Limited		Acer Granito Private Limited	
		26%	2.64
		Vicon Ceramics Private Limited	

**Bathware** (in million pieces)

Subsidiaries	
100%	1.30
Somany Bath Fittings Private Limited	
51%	0.78
Somany Sanitary Ware Private Limited	

● Stake ● Annual Capacity  
● Unit Name



## Beginning Humbly

# EXCELLING GLOBALLY

● **1968**

Founded by late Shri Hira Lall Somany ji in partnership with Pilkington Tile Holding (UK)

● **1971**

Established the inaugural manufacturing facility of Somany Pilkington Limited in Kassar, Haryana

● **1983**

Established a manufacturing plant by Somany Pilkington Limited in Kadi, Gujarat

● **1994**

Acquired the Pilkington shareholding by the Indian promoters

● **1996**

Achieved a significant milestone on Somany Pilkington Limited's R&D facility being recognized by the Government – marking a pioneer achievement within India's tile industry

● **1998**

Received ISO certification for the Company's Quality Management System, demonstrating its commitment to maintaining and upholding high standards of quality across its operations

● **2000**

Initiated the import of tiles from Europe under the Somany Global brand, broadening the Company's product offerings and bringing premium European tiles to the market

● **2005**

Filed a patent for VC Shield, India's highest abrasion-resistant tile

● **2007**

- Underwent a significant transformation by changing name to Somany Ceramics Limited
- Expanded the business into the sanitaryware vertical; this strategic move allowed the Company to diversify its product portfolio and enter a new market, catering to the growing demand for sanitaryware products

● **2009**

- Earned the patent for VC Shield, a first in the industry
- Initiated the 'Tile Master' program to improve mason's income

● **2010**

- Established the Company's first glazed vitrified tiles manufacturing facility
- Ventured into Bath Fittings business

## 2011

- Rebranded with a new logo
- Earned the esteemed 'Power Brand' recognition

## 2012

Received the Indian Power Brands Award for the second consecutive year

## 2014

- Acquired a subsidiary and initiated the manufacturing of Sanitaryware
- Received the Corporate Technical Achievement Award from the American Ceramic Society (ACerS) for VC Shield product

## 2017

Launched a comprehensive television campaign to strengthen brand visibility across digital, radio, and print media platforms

## 2018

- Company celebrated 50<sup>th</sup> Anniversary
- Acquired a subsidiary and started manufacturing of bath fittings
- Started inhouse production of EzyFix adhesive

## 2019

- Inaugurated first manufacturing facility in South India
- Appointed Salman Khan as the Brand Ambassador

## 2020

Achieved the milestone of becoming a net debt-free company (at standalone level)

## 2021

- Recognized as India's Most Desired Tiles Brand
- Accorded with ET Iconic Brand award

## 2022

Commissioned an expansion of 11 msm – the largest ever in the Company's existence

## 2023

- Commissioned the Company's 1<sup>st</sup> plant with CONTINUA+ and Launched Somany Max Coverstone collection, which combines cutting edge technology, diverse designs, and a commitment to sustainability
- Earned Superbrand Status for VC Shield tiles

Key Performance Indicators

## Building Dreams

# SHINING BRIGHT

~80 msm per annum

Access to Tiles  
Manufacturing Capacity

Somany Max  
Coverstone Collection

Launched

4 million square  
meter (msm)

Capacity Expansion  
in 2023-24

2<sup>nd</sup> Largest

in Indian Tile  
Industry

2,675

Network of Active  
Dealers

1.3 million pieces

Per Annum Capacity of  
Bath Fittings

11

State-of-the-Art  
Manufacturing Plants

0.78 million pieces

Per Annum Capacity of  
Sanitaryware



**4,172**

Workforce

**₹ 2,57,732 Lakhs**Revenue in  
2023-24**₹ 14,486 Lakhs**Profit before Exceptional  
Items & Tax in 2023-24**474**Showrooms in  
India**₹ 9,689 Lakhs**Profit After Tax in 2023-24  
(Attributable to Owners)**₹ 72,014 Lakhs**Net Worth as on 31  
March, 2024

## Inspiring Designs

# LASTING IMPRESSIONS

From luxurious homes to iconic landmarks, Somany Ceramics has left an indelible mark globally by redefining the way spaces are perceived. Pioneering trends and setting new benchmarks, the Company has established itself as a beacon of creativity and quality in the industry.



### Ceramic Tiles

Ceramic tiles help make spaces more inviting, reflecting style. They are selected to suit every preference and create a lasting impression every time.

32.1%

Revenue as a % of  
Total Sales in 2023-24

~30 msm

Per Annum Capacity

3

Manufacturing Facilities



## Polished Vitrified Tiles

These tiles offer endless possibilities in terms of style and aesthetic appeal through a wide range. They add a tint of beauty and functionality to interior design, thereby giving a classic and timeless look and feel to spaces.

### 25.3%

Revenue as a % of Total Sales in 2023-24

### ~11 msm

Per Annum Capacity

### 3

Manufacturing Facilities

### 29.7%

Revenue as a % of Total Sales in 2023-24

### ~17 msm

Per Annum Capacity

### 3

Manufacturing Facilities

## Glazed Vitrified Tiles

This extensive range of tiles can dramatically transform the look and feel of any interior. They also enhance the style and ambiance of spaces.



## Sanitaryware

From sleek and contemporary designs to ergonomic functionality, the Company's sanitaryware is crafted with the ultimate build quality. Somany's premium products help in upgrading bathrooms and making a statement.



**5.8%**

Revenue as a % of  
Total Sales in 2023-24

**~0.78 million pieces**

Per Annum Capacity

**1**

Manufacturing Facility



## Bath Fittings

Somany's extensive collection of bath fittings elevate the style and quality of bathrooms. These products are carefully crafted to seamlessly blend form and function, adding an extra touch of elegance and sophistication to bathrooms.

### 4.5%

Revenue as a % of  
Total Sales in 2023-24

### ~1.30 million pieces

Per Annum Capacity

### 1

Manufacturing Facility

### ~4 msm

Per Annum Capacity

### 1

Manufacturing Facility



## Coverstone

Somany Max's Coverstone Slabs effortlessly establish a harmonious aesthetic, reducing the grout lines and introducing fresh outlooks and dimensions. This is inclusive of applications like flooring, wall cladding, furniture elements, kitchen, and countertops.



## Charting Horizons

# BUILDING LEGACY



“

The Company commissioned its first CONTINUA+ Compaction Technology plant for slabs and tiles. This advanced method eliminates traditional presses and molds, ensuring flexibility in size and thickness thereby contributing to Somany Ceramics' ambition.

**Shreekant Somany,**  
Chairman & Managing Director

**Somany Ceramics' enthusiasm is grounded in India, a country that has become a worldwide case study for its resilience and spirit to resurge against all odds.**

## Dear Stakeholders,

I hope this message finds you in good health and high spirits. It is with great pleasure and pride that I address you today to share the achievements of Somany Ceramics during 2023-24. I am immensely grateful to all our colleagues, customers, and stakeholders for their support, especially during the challenging times that have tested the Company.

The growth of Somany Ceramics has been particularly satisfying because it transpired in two difficult years. It showcases the untiring efforts of the entire team, who put their best foot forward in growing the business under some of the most trying circumstances. The Company continued doing what it has always done – investing in capacities and capabilities. This has ensured enduring success for Somany Ceramics time and again. By taking small steps toward many milestones, Somany turned obstacles into opportunities that propelled its progress. By strategically navigating the challenges, the Company has managed to convert the obstacles it encountered the previous year. The Company is now focussing on Embracing the Future by progressing and pioneering in the ceramics industry.

## The India Story

Somany Ceramics' enthusiasm is grounded in India, a country that has become a worldwide case study for its resilience and spirit to resurge against all odds. The country remains enticing with its promising talent pool, strong domestic market, resilient supply chains, and the spirit of self-reliance. It also aims to become an ideal manufacturing destination for the world. Global enterprises are revising their strategic plans to include India, believing that the country will be a crucial lever driving their progress. Some have already set foot on Indian soil.

The real estate sector will be a crucial beneficiary of India's resurgence to the global stage. India's premium commercial and residential real estate landscape will entice global and local investors. This will encourage business growth and increase productivity. As businesses expand and succeed, this will be a multiplier for the country's economy. Already experiencing heightened activity in Tier 2 and 3 towns, the next decade will likely

see a strong rise in demand for all building materials. The Indian ceramic industry is on track to become the world's largest ceramic producer in the coming years. It has already established itself as a significant global player in the ceramic tile market, ranking second only to China in terms of manufacturing, consumption, and export. This growth is also being propelled by India's increasing urbanization and construction activity, which has led to a surge in demand for various types of tiles, especially glazed vitrified tiles.

People's aspirations have soared alongside their growing disposable incomes. They no longer want to spend energy shopping for tiles; they just want an appealing look. This shift is driving the demand for large-sized, value-added tiles and a preference for organized players. I believe Somany will play a more significant role in the advancement of the tile sector, as regulatory norms are creating a more level playing field. This evolution ensures that the Company develops strategies to make tile purchasing increasingly convenient.

Somany Ceramics stands strong among these dynamics on its path of expansion. The Company's determination and ambition allows it to effectively cater to an even larger customer base across the country. Somany Ceramics is well-positioned for future growth backed by the expected doubling of the Indian tile industry in the next 5-7 years. The growth is driven by rising disposable incomes, increasing replacement demand, government push for infrastructure development, and a surge in demand for aesthetically pleasing and functional spaces.

### Somany's Focus

Somany Ceramics' strategies revolve around three key aspects:

Capacity Building

Geographical Expansion

Technological Upgradation



“

Somany Ceramics is focused on enhancing its production capabilities domestically by strengthening its supply chain, and meeting the evolving demands of its customers. By establishing a strong presence in Tier 2 and 3, and smaller cities across India, it aims to tap into new markets and serve a wider customer base.

### Somany Max Coverstone Collection

Launched in 2023-24

**The Company plans to take advantage of the 'China +1' strategy in developed markets to enhance its market position and growth prospects.**

In addition to expanding globally, Somany Ceramics is focused on enhancing its production capabilities domestically by strengthening its supply chain, and meeting the evolving demands of its customers. By establishing a strong presence in Tier 2 and 3, and smaller cities across India, it aims to tap into new markets and serve a wider customer base. Additionally, the Company's commitment to customer centricity and technological upgradation ensures that it stays ahead of the competition, delivers innovative solutions, and meets the expectations of the modern Indian consumer.

Aligned with this motto, the Company is focusing on expanding its product portfolio, providing innovative solutions that cater to the specific needs of each target group, further solidifying its position as the go-to brand for ceramic tiles, bathware, and allied products.

**The Company has gone ahead and launched Somany Max Coverstone collection. With limitless possibilities, Coverstone enhances spaces with luxurious surfaces. Additionally, Somany Ceramics has proudly also unveiled its latest bathware range, the French Collection by Somany. Designed with imperial French suave, this ultra-luxuriant collection not only embodies the 50-year legacy of Somany Ceramics but also places consumers in the choicest group of art connoisseurs.**

The Company's R&D efforts not only enhance its internal processes but also contribute to the broader objective of sustainable development within the industry. Somany Ceramics remains committed to leveraging technology to drive growth and delivering superior value to customers, stakeholders, and the environment.

## Embracing Sustainability

Sustainability is a core value driving every aspect of Somany Ceramics' business strategy. The Company recognizes the crucial role of sustainable practices in preserving the environment for future generations while also ensuring its long-term success. Sustainability is deeply embedded in the Company's management philosophy, guiding decisions on raw material sourcing, manufacturing processes, and product innovation. It is committed to reducing its carbon footprint, conserving natural resources, and minimizing waste generation. By prioritizing sustainability, Somany Ceramics not only contributes to a healthier planet but also enhances its brand reputation, attracts environmentally conscious customers, and strengthens the resilience and longevity of its business.

The Company has entered into a strategic investment of ₹ 376.20 Lakhs in equity shares of Clean Max Ananta Private Limited, a special purpose vehicle. This initiative aligns with the provisions of the Electricity Act, 2003, and underscores Somany's commitment to sustainable energy practices by procuring solar power from a captive generating plant in the state of Haryana. This investment, subject to applicable laws, represents a significant step

towards enhancing the Company's environmental stewardship and reducing its carbon footprint.

Looking ahead, the Company anticipates a positive shift in the domestic demand landscape next year. This optimism is fueled by the lag effect of new construction, where tiles are typically applied in the finishing stages. Furthermore, Somany Ceramics expects the real estate industry to grow at a higher pace in the foreseeable future, which will contribute favorably to the domestic market environment. Besides this, exports should continue to augur well, benefiting the Indian tile industry.

In conclusion, Somany Ceramics is excited about the potential for growth and development that lies ahead for the Company and India as a whole. The Company continues to be ambitious in its pursuit of growth. It is proud to express the resilience and commitment of its employees and partners, who have been integral to its successful journey. On behalf of Somany Ceramics Limited, I would like to thank you all for your continued support.

With my best wishes,

**Shreekanth Somany,**  
Chairman & Managing Director



Message from the MD

## Embracing Change

# CREATING PROGRESS



“

Over the course of five decades, the Company has transformed its vision into a resounding success, establishing itself as one of the leading companies in the industry.

**Abhishek Somany,**  
Managing Director & CEO

**Somany Ceramics is embracing the future by integrating innovative technologies and sustainable practices across its operations.**

## Dear Stakeholders,

It is that time once again where I get to connect with you and that is something I always look forward to. I hope you are well, leaner, and stronger than you were when you last read this piece. The Company is leaner too. Looking forward at the road ahead is always more promising than dwelling on the laurels of the past. The world, and the ceramics industry, keeps changing at a rapid pace. On one hand, the tile industry keeps evolving, and on the other hand, in the larger context that it operates, digital technology is driving change at an accelerating pace. The businesses that do not embrace these changes are likely to be left behind. Somany Ceramics is embracing the future by integrating innovative technologies and sustainable practices across its operations. With a strong focus on environmental stewardship, resource efficiency, and cutting-edge product designs, the Company is committed to driving growth while contributing to a sustainable and prosperous future.

A prominent global publication likened the post-pandemic world economy to the Mona Lisa—each time you look, you see something different. While this suggests a world that is increasingly volatile, the good news for us is that India has remained one of the fastest-growing large economies globally. The country also continues to be an engine of global growth. Additionally, India's emergence as a preferred source for international markets bodes well for the increased demand as the global economy recovers. In 2023-24, the Indian economy demonstrated immense resilience, recording a growth rate of 7.6%, the highest among major economies worldwide. Additionally, the Indian Government has increased the infrastructure outlay by 11.11%, from ₹ 10 Lakh Crores to ₹ 11.11 Lakh Crores, contributing 3.4% of the GDP. It aims to contain the fiscal deficit within the 4.5% threshold by 2025-26.

For 2024-25, the Indian economy is predicted to grow around 7.2%. With India gaining global attention, I am confident that the demand for modern construction will remain robust for the foreseeable future. The real estate sector is now experiencing significant growth. Additionally, the increase in disposable income will likely sustain renovation demand in the near term. Business opportunities in this sector are also promising.

Within the construction materials industry, the ceramics industry remains at a pivotal moment. Housing remains a critical and underserved need in our country. The Indian government prioritizes affordable housing through initiatives like the Pradhan Mantri Awas Yojana (PMAY), aiming to provide housing for all. The program focuses on urban and rural housing development, offering subsidies and incentives to promote homeownership and improve living conditions. Additionally, policies are being streamlined to boost real estate investments and infrastructure development. The combination of India's 140 Crores population and its status as the world's fastest-growing economy sets the stage for rapid growth for the ceramics industry.



## Embracing Efficiency

With a vision to cater to the evolving needs of a thriving India and a belief in the growing preference for designer tiles over traditional flooring materials, Somany Ceramics embarked on a remarkable journey. Over the course of five decades, the Company has transformed its vision into a resounding success, establishing itself as one of the leading companies in the industry. Throughout the journey, it has faced numerous challenges and obstacles.

With perseverance and an indomitable spirit, Somany Ceramics has consistently triumphed over these hurdles, remaining strong. In the pursuit of its ambitions, Somany Ceramics has gone ahead and inaugurated a state-of-the-art manufacturing facility in Morbi, Gujarat. The plant has an annual production capacity of 4 million square meters, and utilizes SACMI-ITALY's expertise in CONTINUA+ solutions. With around dozen installations in India, SACMI's CONTINUA+ plants have proven to deliver exceptional quality, performance, speed, and fuel efficiency, which are key competitive advantages in the market. This investment marks the Company's first step into CONTINUA+ technology, benefiting from SACMI's experience and strengthening the longstanding partnership between Somany Ceramics and SACMI.

The Company also recently opened its SOMANY GRANDE showroom in Mohali, Punjab. Operated by Nirmanghar Traders Private Limited, the showroom covers an impressive area of 8,000 square feet, showcasing a wide range of wall and floor tiles across various categories. Additionally, the showroom features an extensive collection of Somany Ceramics' premium sanitary ware and bath fittings, providing customers with a comprehensive home enhancement experience. This new showroom is poised to strengthen the Company's presence in the Mohali market and cater to the diverse needs of customers in the region.

In terms of financials, Somany Ceramics achieved a notable revenue growth of 4.6%, reaching ₹ 2,57,732 Lakhs compared to the previous year. The Company's EBITDA reached to ₹ 25,322 Lakhs compared to ₹ 18,871 Lakhs in 2022-23. Accordingly, its PAT margins for the year 2023-24 improved to 3.8%, and the net profit reached ₹ 9,689 Lakhs from the previous year's ₹ 7,149 Lakhs.



## Revolutionizing Technology

Today's consumer spends most of their time on mobile devices and laptops, doing almost everything with clicks and taps. Yet, buying tiles and sanitaryware has traditionally required visiting multiple shops and negotiating prices, a significant pain point for consumers. Somany Ceramics has pioneered online shopping. Customers can browse ceramics by color, finish, size, and type from the Company's extensive product range selecting ceramics at their convenience.

Technology plays a pivotal role in maintaining the Company's competitive edge, and it is committed to integrating advanced technologies into its processes to lead the market. Somany Ceramics' Aspire series glazed vitrified tiles, available in 6 mm, 8 mm, and 9 mm thicknesses, exemplifying its dedication to innovation. These tiles, featuring full digital designs, not only offer aesthetic appeal but also consume fewer natural materials over their lifecycle, underscoring the Company's commitment to sustainability.



Furthermore, the installation and successful operation of a refurbished digital machine in the Company's production line is a testament to its resourcefulness. This initiative reduces the need for new machinery purchases and decreases the consumption of natural materials required for manufacturing and importing new equipment, aligning with sustainability goals. Additionally, the introduction of double digital Shape Tech technology at the Max plant marks a revolutionary advancement. This technology creates micro-relief textures similar to punch effects, significantly reducing the need for master and punch inventories. This innovation not only enhances production capabilities but also minimizes indirect emissions from manufacturing these components.

Somany Ceramics' dedicated employees are the cornerstone of the Company's continued growth and achievements. The Company prioritizes their development and well-being by conducting regular internal training programs and seminars that enrich their skills and knowledge. These opportunities empower the team to thrive in their careers, fostering a culture of continuous learning and professional growth.

## Nurturing Relations

Creating a safe and nurturing work environment is a top priority for Somany Ceramics. The Company takes pride in its low attrition rate, which is a testament to the positive and supportive atmosphere it cultivates within the organization. Additionally, it recognizes the importance of diversity and inclusion in its workforce. By promoting a balanced and inclusive workplace, Somany Ceramics aims to harness the full potential of its diverse workforce and create an environment where every individual can thrive.

To achieve consistent and sustainable growth, Somany Ceramics has implemented a robust expansion and investment plan, investing more than ₹ 475 Crores in the last 24 months to increase capacity by 30% (net increase of 17% considering divestment of two subsidiaries) The Company is also focusing on R&D to innovate and introduce new product lines. It is also investing in advanced manufacturing technologies to enhance productivity and expanding its distribution network.

In the next five years, Somany Ceramics aims to widen its reach across the diverse range of customers, including homeowners, architects, interior designers, builders, and commercial developers. The Company plans to expand its product portfolio, offering a wide range of designs, textures, and sizes, and providing innovative solutions tailored to the specific needs of each target group. By focusing on customer satisfaction, Somany Ceramics aims to further penetrate the market more towards the smaller towns and solidify its position as a leading brand in ceramic tiles, bathware, and allied products.

The Company's success is built on the strengths of its value chain, which drive it toward achieving its goals. I express my sincere gratitude to Somany Ceramics' investors for their constant support and the Company's employees, who have played a crucial role in navigating these challenging and uncertain times. I also extend my appreciation to our esteemed partners and vendors. I would like to express my gratitude to all of you for being an integral part of this journey.

My best wishes,

**Abhishek Somany,**  
Managing Director & CEO



## Navigating Future

# STAYING AHEAD

As a trailblazer in design and technology, Somany Ceramics has consistently pushed the boundaries of creativity and craftsmanship. With a keen eye on emerging trends and customer preferences, the Company has remained ahead of the curve, anticipating market needs and setting new standards of excellence.

### Growth in Real Estate Market

The commercial real estate sector in India is experiencing remarkable growth and is poised to reach a valuation of USD 40.71 billion in 2024. The sector is projected to grow further and reach an estimated USD 106.05 billion by 2029, at a CAGR of 21.10% during the forecast period from 2024 to 2029. In contrast, India's residential real estate market is set to reach USD 35.47 trillion by 2024, with an expected annual growth rate of 2.97% between 2024 and 2028. Somany Ceramics is strategically positioned to capitalize on this favorable trend in the real estate market. With a keen focus on leveraging its strategic positioning and tapping into the industry's expansion, the Company is well-poised for sustained growth and success. This expansion is particularly driven by the rising demand for home loans.

### Increasing Government Initiatives

The Indian Government has notably increased its infrastructure outlay by 11.11% from ₹ 10 Lakh Crores in 2022-23 to ₹ 11.11 Lakh Crores in 2023-24, constituting 3.4% of the GDP. This strategic move is aimed at managing the fiscal deficit within the 4.5% threshold by 2025-26. Additionally, the Government plans to overhaul various schemes such as FAME and Smart Cities Mission, which are expected to be reintroduced. Furthermore, there are plans to introduce a new scheme focused on enhancing deep-tech technologies for defence purposes, aligning with India's 'Aatmanirbharta' (self-reliance) vision.

### Growing Hospitality Industry

The Indian hospitality industry is projected to achieve 11-13% revenue growth in 2024-25, compared to an anticipated 15-17% growth in 2023-24. This can be attributed to a steady domestic demand and an increase in foreign travelers. These robust demand dynamics, coupled with a modest influx of new supply, are expected to maintain the industry's healthy operating performance in the near term. Somany Ceramics will leverage its strong brand reputation, extensive distribution network, and investments in product development and marketing initiatives to seize new sales opportunities in the hospitality industry and enhance brand awareness.

## China +1 Strategy

The Indian tile sector has seen a substantial increase in demand as countries seek alternative markets for tile procurement. Somany Ceramics is well-positioned to capitalize on this opportunity, thanks to its expanded capacity and extensive experience. Moreover, after a period of volatility, the normalization of gas prices and stabilization of freight rates are helping the Company bring its input costs back to normal levels. This positive development will further enhance its ability to leverage global opportunities and strengthen its competitive advantage.

## Rising Incomes

Real GDP at constant (2011-12) prices for 2023-24 is projected to reach ₹ 171.79 Lakh Crores, compared to the provisional estimate of ₹ 160.06 Lakh Crores for 2022-23. This growth is expected to spur investment in the housing sector, leading to increased demand for tiles and bath fittings as individuals strive to enhance their standard of living. As a result, Somany is well-positioned to capitalize on this growing demand and benefit from the industry's expansion. The projected increase in purchasing power and the evolving aspirations of the population present significant opportunities for the Company to further enhance its market presence and drive its growth trajectory.

## Increased Home Ownership

In a bid to promote home ownership and improve access to home loans, the RBI has raised the Loan to Value (LTV) ratio to 90% for home loans below ₹ 30 Lakhs, up from the previous limit of ₹ 20 Lakhs. Conversely, for loans exceeding ₹ 75 Lakhs, the LTV ratio is set at 75%. These initiatives, combined with the availability of affordable housing options, favorable tax incentives, and rising household incomes, are expected to drive growth in the tiles market. With a strong reputation for quality and design, Somany Ceramics can cater to the growing needs of these consumers, providing them with solutions that combine functionality with elegance.

## Surge in Investments from NRIs

The rising trend among NRIs to invest in Indian real estate and their desire to retire in India present multiple growth opportunities for Somany Ceramics. This favorable scenario allows the Company to cater to an expanding market base with its wide range of products. The increasing demand for real estate among NRIs aligns perfectly with the projected growth of the Indian economy, making India an attractive investment destination.

## Strengths

# Expanding Horizons REDEFINING PRODUCTS

**Somany Ceramics' strength lies in its innovative spirit, cutting-edge manufacturing technologies, and a robust distribution network that spans both domestic and international markets. The Company continuously invests in R&D, ensuring that it stays at the forefront of industry advancements and can offer products that meet the evolving needs and preferences of its diverse customer base.**

## Decades of Invaluable Experience

With over five decades of heritage in the ceramic tiles industry, spanning three generations, Somany Ceramics leverages the profound expertise and insight of its seasoned leaders. Their deep industry knowledge has been instrumental in steering the Company towards success. The recent integration of the fourth generation into the leadership team promises a solid foundation for future growth. This blend of extensive experience and fresh perspectives empowers the Company to adeptly navigate and adapt to the ever-evolving market dynamics.

## Strong Geographical Footprint

Somany Ceramics has established a strong foothold in international markets, with its products being sold in over 70 countries. The Company aims to capitalize on this success by expanding into new geographies in the future. To optimize operational efficiency and mitigate manufacturing risks, Somany has strategically established manufacturing facilities in key states including Gujarat, Punjab, Haryana, and Andhra Pradesh.



## Strong Brand Presence

Somany's distinguished legacy, reliability, and commitment to quality have earned it a strong reputation in the market. The Company takes pride in its diverse range of offerings, driven by patented innovations. The product lineup is strategically designed to attract a broad customer base, delivering exceptional value with its 'More Value for Money' pricing strategy. By prioritizing quality, the Company establishes enduring customer relationships and fosters a positive brand perception, which in turn drives revenue growth.

## Expansive Manufacturing Capacity

Somany Ceramics has commenced operations at its latest state-of-the-art manufacturing facility in Morbi, Gujarat, equipped with the latest technology from SACMI-ITALY, the world's leading tile machinery manufacturer. With an impressive annual production capacity of 4 million square meters, the new SOMANY MAX plant is set to enhance the brand's legacy of innovation.

## Cutting-Edge Printers

Somany Ceramics firmly upholds its commitment to delivering exceptional quality designs and products through the utilization of state-of-the-art printers. This advanced printing technology enables the Company to offer an extensive range of captivating products featuring high-depth punches, resulting in visually striking 3D designs and textures. By adopting and integrating such cutting-edge printing technology, Somany expands its product offerings and accommodates diverse customer preferences. This gives the Company a distinct competitive advantage over its industry counterparts.

## Low Debt

Somany Ceramics strongly emphasizes on minimizing its debt exposure, as evidenced by its low short-term debt level and conservative long-term debt level, when compared with its substantial cash balance. The Company's strategic objective is to minimize, leverage and prioritize, the utilization of its cash reserves. By actively managing its debt position and prioritizing cash resources, Somany aims to strengthen its financial prudence. The Company also aims to continue building on its solid foundation to drive sustainable growth.

## Intensifying Efforts

# EMBRACING FUTURE

Somany's strategic initiatives and robust business practices are geared towards sustainable growth, ensuring that it not only meets but exceeds the evolving expectations of its stakeholders. By intensifying its efforts and embracing the future, the Company is poised to achieve new heights of success and resilience in an ever-changing global landscape.

## Economic Value Distributed (EVD)

Somany Ceramics is committed to achieving sustainable financial growth while responsibly managing its capital. The Company actively contributes to economic activity across the nation through astute capital optimization strategies. Additionally, it drives productivity initiatives while working to protect its margins from the impacts of fuel and material costs. Somany takes pride in its achievements, as evidenced by its remarkable growth achieved by maintaining a competitive edge.

## Economic Performance

(Based on Standalone Financials)

(in ₹ Lakhs)

Particulars	2023-24	2022-23
Direct economic value generated: Revenues	2,98,750	2,87,742
Economic value distributed	2,84,835	2,75,593
Operating costs*	2,42,598	2,37,291
Employee wages and benefits	24,239	21,713
Payments to providers of capital (Dividends & Interest)	2,051	2,061
Payments to the Government (Taxes)	15,721	14,380
Community investments (CSR)	226	148
Economic value retained	13,915	12,149

\*Includes operating expenses, cost of materials consumed, and changes in inventories of finished goods



# WE ARE SUSTAINABLE

## Embracing Evolution

# SHAPING TOMORROW (Based on Standalone Financials)

### Input Capitals

#### Financial Capital



**Capital Expenditure:** ₹ 4,552 Lakhs

**Net Worth:** ₹ 72,317 Lakhs

**Net Debt-to-Equity Ratio:** (0.07x)

**Market Capitalization:** ₹ 2,36,734 Lakhs

#### Manufacturing Capital



**Installed Capacity:** ~30 msm

**Manufacturing Plants (No.):** 2

#### Human Capital



**Number of Employees (Permanent):** 1,344

Employee Training on Skill Upgradation, Health, and Safety

#### Social and Relationship Capital



**CSR Spent:** ₹ 226 Lakhs

**Number of Active Dealers:** 2,675

**Brand Spend:** 2.3%

#### Intellectual Capital



Department of Scientific and Industrial Research (DSIR)

Certified R&D Unit

#### Natural Capital



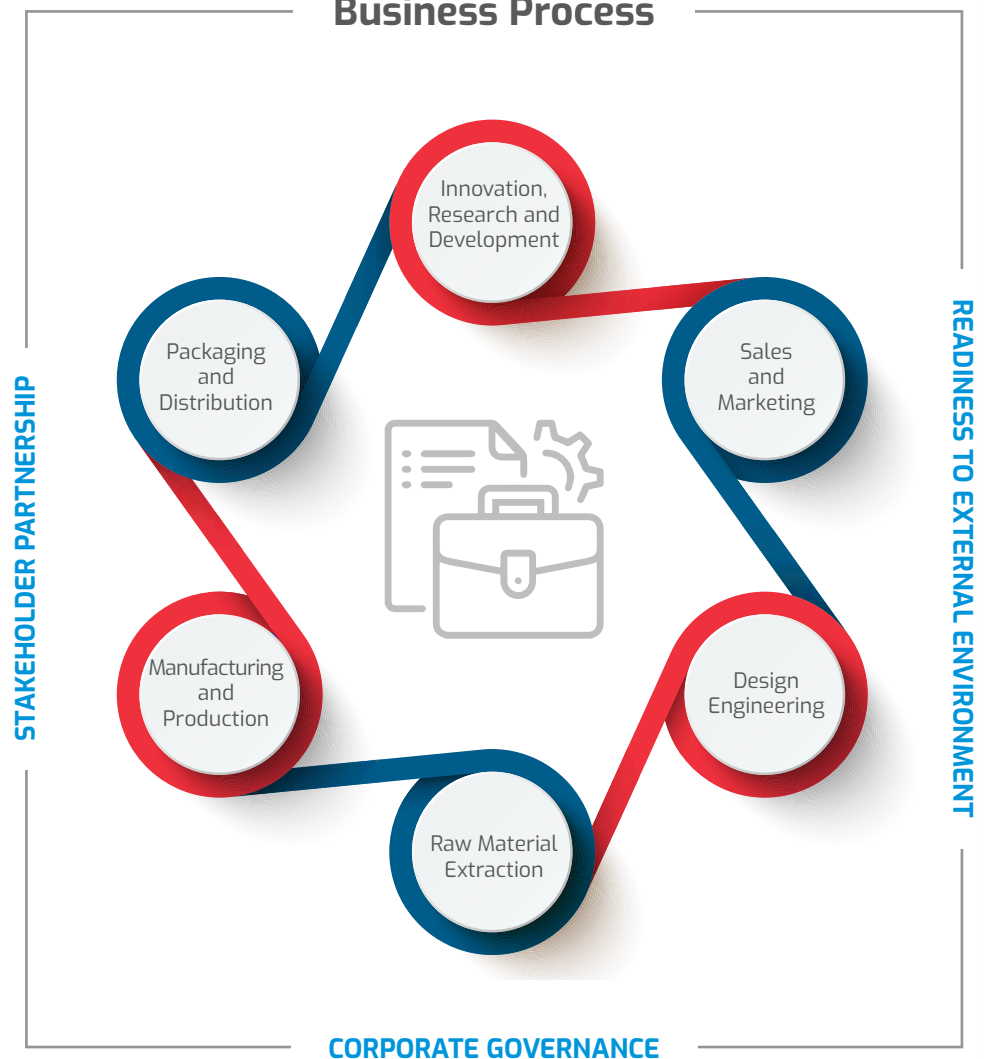
**Energy Consumption:** 23,09,756 GJ

**Renewable Energy:** 8,54,400 GJ



















**Water Withdrawal:** 2,89,962 KL

### Business Drivers, Activities and Strategies

#### Business Process



- Value Created:** Value creation through the Company's business model involves taking inputs from the capitals and transforming them through business activities and producing outputs and outcomes over the short, medium, and long term for the Company, its stakeholders, society, and the environment.
- Value Preserved:** Value preservation refers to the social, moral, and ethical obligation to preserve, protect, and defend stakeholder value from value erosion, reduction, and destruction.

Outputs	Outcomes	SDGs
 <p><b>Financial Capital</b>  <b>Revenue from Operations</b>            ₹ 2,53,448 Lakhs  <b>EBITDA</b> ₹ 16,912 Lakhs  <b>RoCE</b> 17.3%</p>	<p>Market penetration to bolster sales</p> <p>Optimized and systematic cost management</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  
 <p><b>Manufacturing Capital</b>  <b>Capacity Utilization:</b> 84%</p>	<p>Resource-efficient production processes</p> <p>Capacity expansion to fulfil growing market demand</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  
 <p><b>Human Capital</b> (Employee)  <b>Turnover:</b> 11.8%  <b>Lost Time Injury Frequency Rate (LTIFR):</b> 1.9</p>	<p>A diverse, skilled workforce</p> <p>Inclusive and safe workplace</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  
 <p><b>Social and Relationship Capital</b>  <b>Beneficiaries</b> 5,47,696</p>	<p>Community development initiatives</p> <p>Sustainable supply chain</p> <p>Economic transformation and livelihood opportunity creation</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  
 <p><b>Intellectual Capital</b>  <b>Patent for VC Shield Trademarks (No.):</b> 136  <b>IGBC Certification</b></p>	<p>Innovation for sustainable product development</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  
 <p><b>Natural Capital</b>  <b>Total GHG Emissions (tCO2e):</b> 1,23,710            Zero Liquid Discharge Plants</p>	<p>Reduction in operational emissions due to the adoption of renewable energy and greener fuels</p>	<ul style="list-style-type: none"> <li>Customers</li> <li>Investors/Shareholders</li> <li>Employees</li> <li>Communities/NGOs</li> <li>Government/Regulatory Bodies</li> <li>Business Partners/Suppliers</li> </ul>  



## Mapping Materiality

# RESOLVING CONCERNS

Somany Ceramics undertakes a meticulous materiality mapping process to comprehend the key economic, environmental, and social concerns that are pertinent to its stakeholders. By aligning with global sustainability standards and actively engaging with stakeholders, the Company aims to build enduring relationships based on transparency, trust, and mutual respect.

The Company identifies important stakeholders who could be affected by its operations or whose actions could influence its ability to implement strategies.

- Somany Ceramics consistently monitors emerging trends within the industry and analyses the sustainability strategies adopted by its peers. It also emphasizes on factors identified as crucial by prominent ESG frameworks such as Morgan Stanley Capital International (MSCI) and the Global Reporting Initiative (GRI).
- Following this, the Company then engages with its stakeholders to explore the potential implications of these factors.
- Post this, the Company organizes the list of issues based on their significance to the business and the preferences expressed by its stakeholders.
- The finalized list is then submitted to the senior management of the Company for their ultimate approval.

## Sustainability Framework

Every year, Somany Ceramics conducts an internal review of its materiality topics and issues. After careful consideration and review, in 2023-24, the Company has determined that the following material topics are in alignment with the business and sustainability strategy.



### Sustained Value Creation

Compliance and Ethical Business Practices



### Operational Eco-Efficiency

Water Conservation

Energy and Emissions Management



### Responsible Product Offering

Product Quality and Safety

ESG Aspects in Supply Chain



### Diverse and Inclusive Growth

Local Community Development

Employee Well-Being





## Sustained Value Creation

Compliance and ethical business practices are fundamental to Somany Ceramics' success and its path towards value creation. By placing integrity at the forefront, the Company effectively manages risks, builds trust with stakeholders, and discovers new opportunities. Through a proactive stance, boosted by strong compliance initiatives and a culture of ethics, Somany Ceramics ensures sustainable growth while aligning with its broader societal objectives. Ultimately, by upholding these ethical standards, the Company not only safeguards its reputation but also generates enduring value for all stakeholders.



## Responsible Product Offering

Somany Ceramics emphasizes on both product quality and safety and the integration of ESG aspects in its supply chain. This demonstrates the Company's commitment to responsible product offerings. Somany ensures strict adherence to safety standards and regulations while partnering with suppliers dedicated to sustainability and ethical practices. This approach guarantees that the Company's products not only meet high-quality standards but also contribute positively to social and environmental goals.



## Operational Eco-Efficiency

In its commitment to operational eco-efficiency, Somany Ceramics strongly emphasizes on water conservation and energy and emissions management. Employing innovative solutions such as water recycling and efficient irrigation, the Company minimizes resource usage, reduces costs, and preserves this critical resource. Additionally, Somany utilizes energy efficient technologies and renewable sources to lower its carbon footprint, showcasing commitment to sustainability. By aligning its operations with these values, the Company actively contributes to a positive impact on the world around it.



## Diverse and Inclusive Growth

Somany Ceramics demonstrates a firm commitment to fostering diverse and inclusive growth, with a dual focus on local community development and employee well-being. The Company invests in initiatives aimed at uplifting the communities surrounding its operations, fostering economic growth, and promoting social harmony. Additionally, Somany prioritizes the health and happiness of its employees, ensuring a supportive workplace environment where everyone feels valued and respected. By nurturing both the local community and its team, Somany drives meaningful progress and creates a brighter future for all.

## Serving Stakeholders

# EMPOWERING PARTNERSHIPS

In its commitment to sustainable growth and ethical business practices, Somany Ceramics recognizes the significance of stakeholder engagement as a cornerstone of its operations. The Company aims to foster transparent and mutually beneficial relationships with stakeholders, including customers, employees, suppliers, investors, and the community. By doing so, Somany Ceramics strives to create lasting value and drive positive change.

Somany strongly emphasizes on cultivating enduring, mutually beneficial relationships with its stakeholders. The Company regularly engages with its stakeholders to gain insights into matters of significance and, integrating these into its decision-making and business strategies.

With a commitment to aligning its business strategy with the evolving expectations of stakeholders, Somany has identified key stakeholders whose interests are most impacted by its decisions and who, in turn, can influence its operations. The Company maintains regular interaction with these stakeholders through various channels, ensuring that its strategies remain responsive to economic, environmental, and social considerations.

Stakeholder Group	Mode of Communication	Key Topics
Government and Regulatory Bodies	<ul style="list-style-type: none"> <li>● Annual Report</li> <li>● Regulatory Filings</li> </ul>	<ul style="list-style-type: none"> <li>● Policy Requirements</li> <li>● BRSR Compliance</li> <li>● Audit and Inspections</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>● Board Meetings</li> <li>● Annual Report</li> <li>● General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>● Business Updates</li> <li>● Financial Updates</li> <li>● Non-Financial Disclosures</li> <li>● Market Developments</li> </ul>

Stakeholder Group	Mode of Communication	Key Topics
Local Communities	<ul style="list-style-type: none"> <li>● On a Need-Assessment basis for CSR Projects</li> <li>● Communicating through Surveys and Group Discussions</li> </ul>	<ul style="list-style-type: none"> <li>● Monitoring and Evaluation of Ongoing Projects</li> <li>● New Project Selection</li> </ul>
Suppliers and Dealers	<ul style="list-style-type: none"> <li>● E-mails</li> <li>● Phone Calls</li> <li>● Vendor Meets</li> </ul>	<ul style="list-style-type: none"> <li>● Supply Chain Issues</li> <li>● Quality and Pricing Issues</li> <li>● Capacity Development</li> <li>● New Material Development</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● Intranet Portals</li> <li>● Training Programs</li> <li>● Induction Programs</li> <li>● Performance Appraisals</li> </ul>	<ul style="list-style-type: none"> <li>● Employee Well-being, Health, and Safety</li> <li>● Training Requirement</li> <li>● Remuneration</li> </ul>
Customers	<ul style="list-style-type: none"> <li>● Dealer Showrooms Advertisements</li> <li>● Social Media</li> <li>● Brochures and Catalogues</li> <li>● E-mails and Phone Calls</li> </ul>	<ul style="list-style-type: none"> <li>● Product Details</li> <li>● Product Feedback</li> <li>● Product Pricing</li> <li>● New Product Development</li> </ul>



# **Our Capitals**





# CAPITALS

## Ensuring Excellence

# FOSTERING GROWTH

Somany Ceramics is committed to sustainable growth with a strong focus on environmental, social, and governance (ESG) principles. The Company's ethos revolves around the recognition of six essential capitals - financial, manufactured, intellectual, human, social and relationship & natural - as integral pillars of its operations. By aligning its strategies with these capitals, Somany not only ensures its own sustainable growth but also contributes positively to the broader ecosystem within which it operates.



### Financial Capital

Somany Ceramics' financial robustness stands as evidence to its resilience and forward-thinking approach. It forms the cornerstone of the Company's operations, encompassing its financial performance, strategic investments, risk management, and capital allocation.



### Manufactured Capital

Somany Ceramics' manufactured capital reflects its commitment to excellence across all operations. From state-of-the-art manufacturing facilities to cutting-edge technology platforms, each product is crafted to enhance efficiency, drive innovation, and create value for stakeholders.



### Intellectual Capital

Somany Ceramics draws strength from its intellectual capital, which includes the exceptional skills and expertise of its workforce, the insights derived from its data resources, and the robust technological infrastructure supporting its operations.



## Human Capital

With a shared vision and relentless determination, Somany Ceramics' human capital focusses on driving innovation and excellence in all endeavors.

The Company believes in nurturing talent and empowering individuals to reach their full potential. It is dedicated to enhancing the capability and character of its human capital through consistent efforts in upskilling and cross-skilling their workforce.



## Social and Relationship Capital

Somany Ceramics' relationships extend far beyond transactions, embodying inclusivity, empathy, and integrity.

Beyond clients, partners, regulatory authorities, investors, and the communities directly engaged with, Somany Ceramics cherishes the relationships fostered with society. These invaluable connections are instrumental in delivering collective growth.



## Natural Capital

Somany Ceramics' commitment to environmental stewardship is deeply rooted in its ethos, motivating the Company to protect and preserve natural capital for current and future generations.

The Company consciously minimizes energy and water use, adopts green practices to reduce its carbon footprint, and supports the green economy.





# Financial Capital

## Ensuring Financial Prudence Driving Prosperity

Somany Ceramics carefully manages its financial resources to ensure sustainable growth and long-term success. Through prudent financial management practices, the Company is committed to securing its financial future, fostering innovation, and sustaining growth momentum. This further lays a solid groundwork for future prosperity.



₹ 2,57,732 Lakhs

Sales for 2023-24

16.2%

3-Year Sales CAGR

4.6%

Growth in Revenue on Annual Basis

₹ 25,745 Lakhs

Net Debt for 2023-24

14.7%

RoCE for 2023-24

0.36x

Net Debt-Equity Ratio for 2023-24

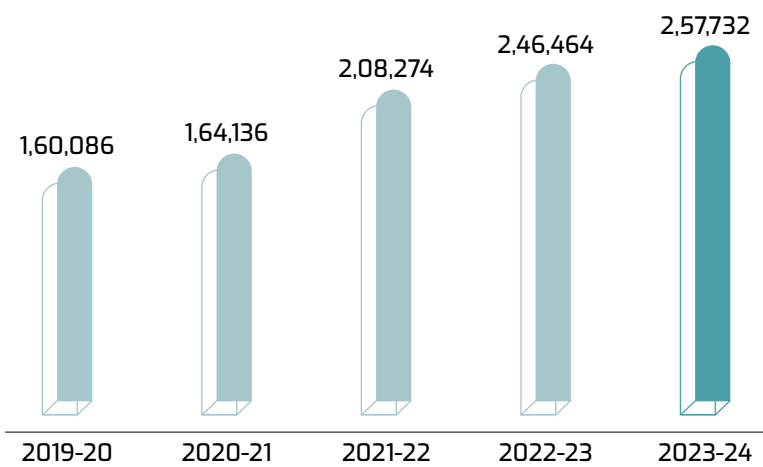
**Five-Year Financials****(Based on Consolidated Financials)****(₹ in Lakhs)**

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Sales	1,60,086	1,64,136	2,08,274	2,46,464	2,57,732
EBIDTA	13,076	19,018	20,653	18,871	25,322
Other Income	1,275	1,278	1,342	1,454	1,061
Finance Costs	5,024	4,014	2,964	4,036	4,646
EBDT	9,327	16,282	19,031	16,289	21,737
Depreciation	5,933	6,163	6,395	6,785	7,251
Profit before Exceptional Items & Tax	3,394	10,119	12,636	9,504	14,486
Profit After Tax (Attributable to Owners)	2,445	6,059	8,869	7,149	9,689
Equity Share Capital	849	849	849	849	820
Other Equity	58,404	63,226	71,781	77,848	71,194
Deferred Tax Liability	3,358	3,208	3,230	2,433	2,886
Loan funds	50,928	42,346	47,655	48,837	33,511
Gross Block (including CWIP)	93,278	96,845	1,23,708	1,35,954	1,46,352
Net Block (including CWIP)	77,888	76,016	97,147	1,05,514	1,12,319
Current Assets	74,299	76,521	78,602	89,940	82,145
Current Liabilities <sup>#</sup>	25,456	28,274	37,358	51,058	69,283
Net Current Assets	48,843	48,247	41,244	38,882	12,862
Net Worth <sup>*</sup>	59,253	64,075	72,630	78,697	72,014
Capital Employed	1,22,948	1,19,599	1,34,277	1,40,724	1,19,693
EPS (₹) <sup>**</sup>	5.76	14.27	20.88	16.83	23.00
Book Value (₹) <sup>**</sup>	139.50	150.86	171.00	185.28	175.63
Dividend (₹) <sup>**</sup>	2.00	2.40	3.00	3.00	3.00
RONW (%)	4.06	9.83	12.98	9.45	12.86
ROCE (%)	6.58	11.65	12.29	9.85	14.69
Debt Equity (times)	0.86	0.66	0.66	0.62	0.47

# excluding short term borrowings | \*Net worth represents sum total of equity share capital and other equity | \*\* Face Value of ₹ 2/- per share

## Sales

(in ₹ Lakhs)



## Definition

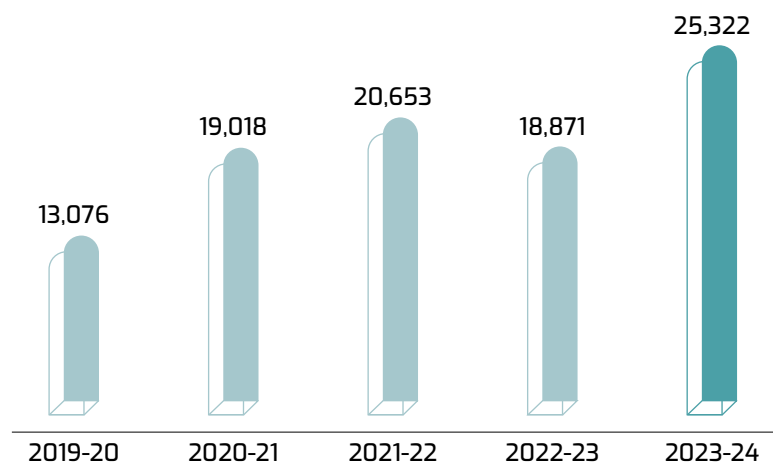
Sales figures net of taxes and S&D expenses.

## Sales Performance

The Company's sales witnessed growth in year on year for last 5 years. Sales value stood at ₹ 2,08,274 Lakhs in 2021-22, followed by ₹ 2,46,464 Lakhs in 2022-23 and ₹ 2,57,732 Lakhs in 2023-24.

## EBITDA

(in ₹ Lakhs)



## Definition

Earnings before the deductions of interest, depreciation, extraordinary items, and taxes.

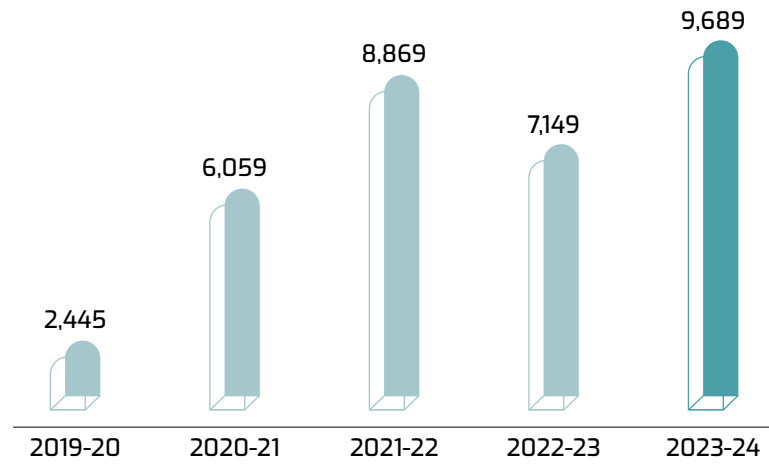
## EBITDA Performance

The Company's EBITDA declined in 2022-23 to ₹ 18,871 Lakhs and then increased to ₹ 25,322 Lakhs primarily due to reduction in input cost.



## Profit After Tax

(in ₹ Lakhs)



### Definition

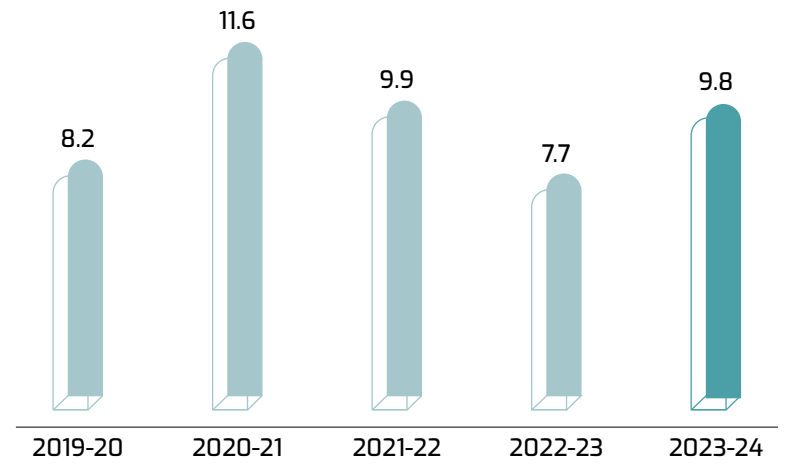
Profit achieved during the year after deducting all expenses and provisions and attributable to owners.

### PAT Performance

The Company's PAT increased in 2021-22 to ₹ 8,869 Lakhs and reduced to ₹ 7,149 Lakhs in 2022-23 which again increased to ₹ 9,689 Lakhs due to improvement in margins.

## EBITDA Margin

(in %)



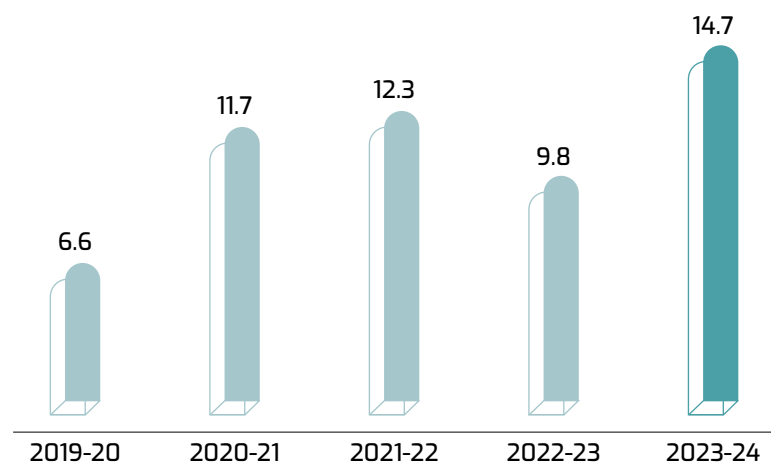
### Definition

A profitability ratio used to measure the Company's operating efficiency.

### EBITDA Margin Performance

The Company's EBITDA margin declined to 9.9% and 7.7% in 2021-22 and 2022-23 respectively. The EBITDA for 2023-24 increased to 9.8% due to reduction in input cost.

## Return on Capital Employed (RoCE) (in %)



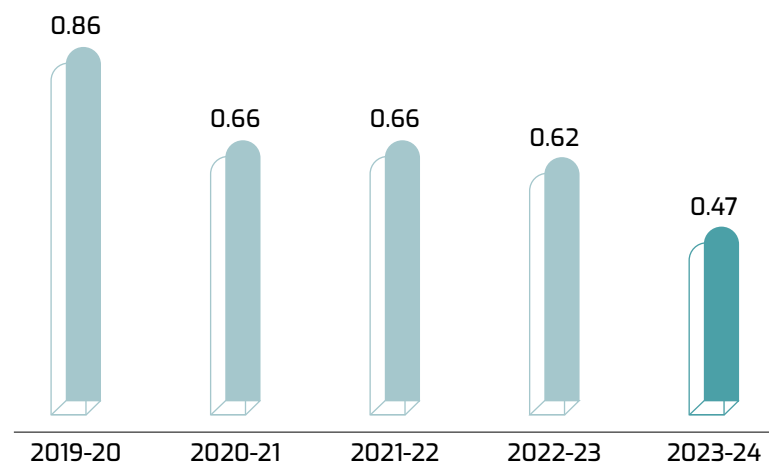
### Definition

A financial ratio that measures the Company's profitability and the efficiency with which capital is employed in the business.

### ROCE Performance

The Company's ROCE increased to 12.3% in 2021-22 but declined to 9.8% in 2022-23 and then increased to 14.7% in 2023-24 primarily due to improvement in profitability.

## Debt-Equity Ratio (x)

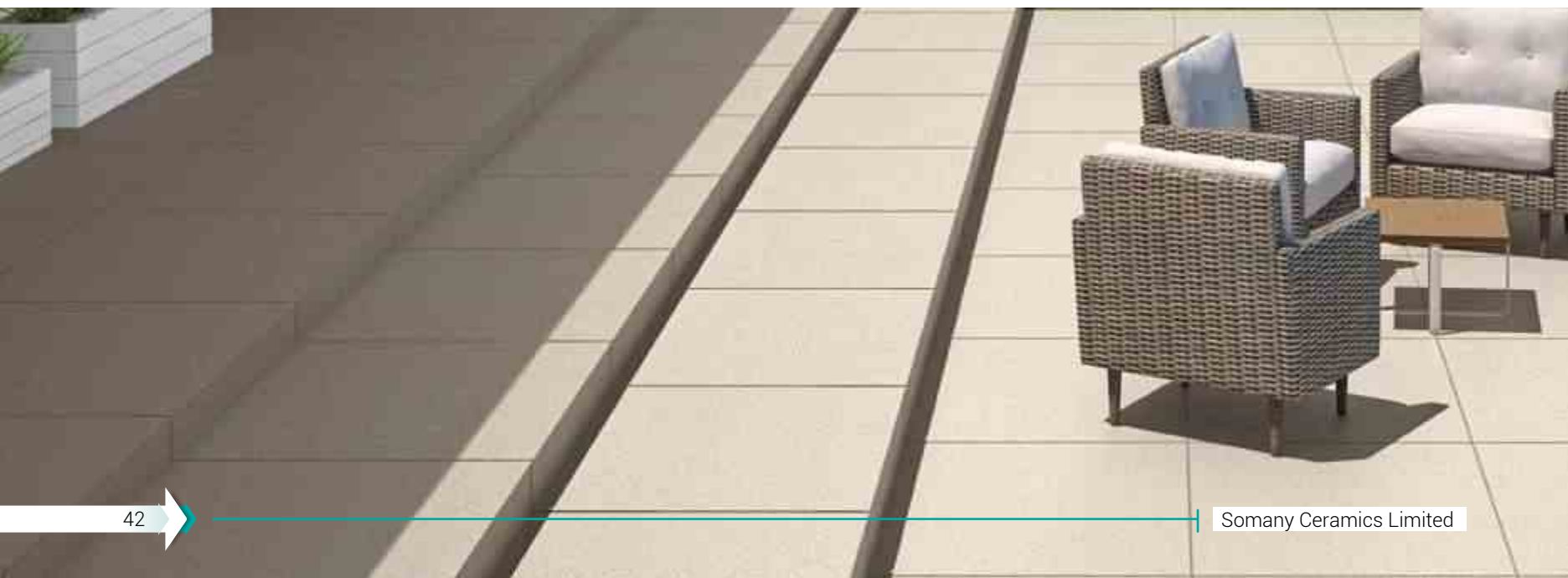


### Definition

Derived through the ratio of debt to net worth (less revaluation reserves).

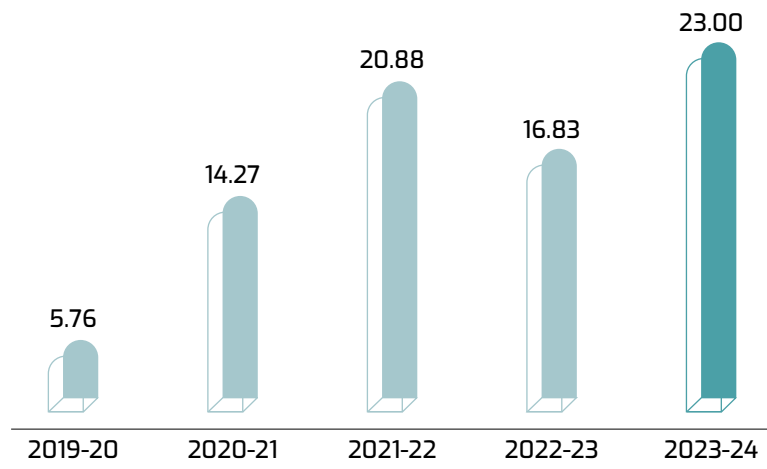
### Debt-Equity Performance

The Company's Debt-Equity ratio improved consistently to 0.66x in 2021-22, 0.62x in 2022-23 and further to 0.47x in 2023-24.



## Earnings Per Share

(in ₹)



## Definition

Portion of the Company's profit which is allocated to each outstanding share of the common stock.

## EPS Performance

The Company's EPS increased to 20.88 in 2021-22 but decreased to ₹ 16.83 in 2022-23 which then increased to ₹ 23.00 in 2023-24.

## Capital Trade-offs

### Financial Capital Interlinked with Other Capitals



#### Manufacturing Capital

The Company's financial capital plays a crucial role in expanding its presence inter country and intra country. This expansion enables it to reach a larger population of individuals and communities.



#### Intellectual Capital

Somany Ceramics' intangible assets, such as innovations, technology based infrastructure, and digitization remain robust due to consistent funding for these initiatives.



#### Natural Capital

By investing in conscious and responsible management of day-to-day operations, the Company aims to minimize its environmental impact. This commitment not only contributes to sustainability but also promotes long-term cost efficiency for its business.



#### Human Capital

Through the allocation of financial capital, the Company ensures fair and non-discriminatory compensation for employees, thereby fostering their retention and enhancing productivity.



#### Social and Relationship Capital

Somany Ceramics recognizes the importance of nurturing strong relationships with customers, communities, investors, suppliers, and other stakeholders within the ecosystem. This requires investments of both time and financial resources aimed at regular and meaningful interactions.



# Manufactured Capital

## Producing Sustainably Integrating Digitization

Committed to innovation and environmental stewardship, Somany Ceramics uses cutting-edge technologies to improve quality and efficiency while reducing environmental impact. From state-of-the-art production facilities to advanced digital integration across the value chain, the Company embodies a harmonious blend of sustainability and digital innovation. This paves the way for a future where every product serves as evidence to excellence.



11

Manufacturing Plants

4 msm per annum

Rise in Overall Installed Capacity (Tiles) during 2023-24

14.7%

RoCE for 2023-24

61.57 msm per annum

Installed Capacity (Tiles)

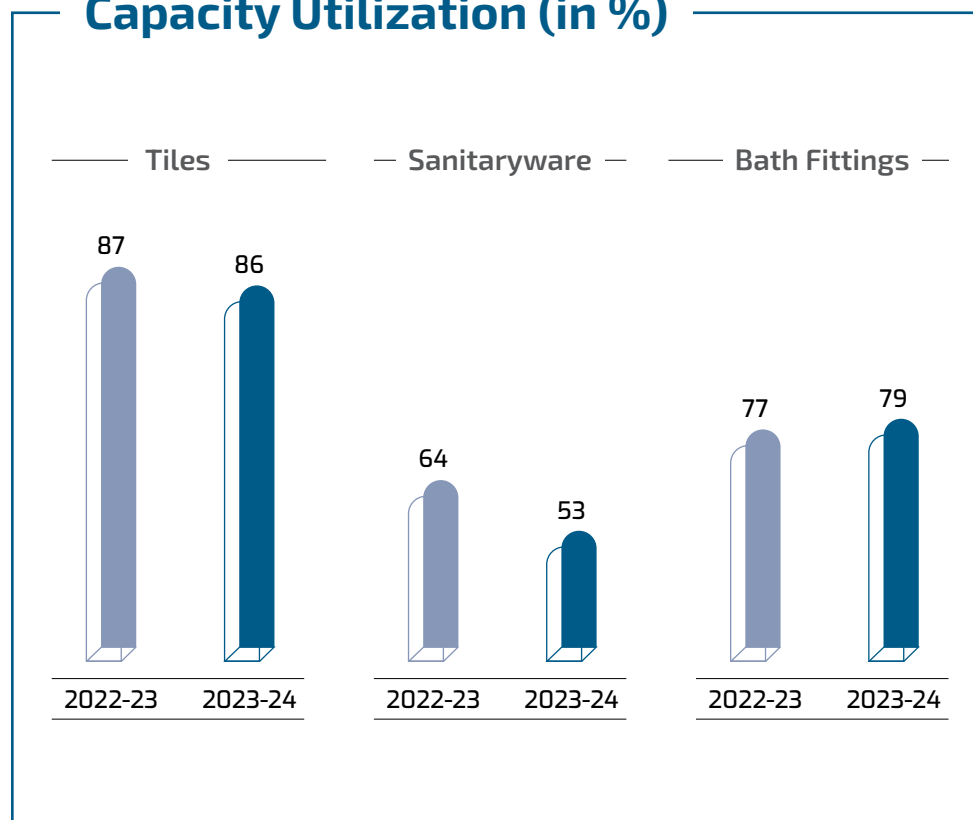
25,745 Lakhs

Net Debt for 2023-24

0.36x

Net Debt-Equity Ratio for 2023-24

## Capacity Utilization (in %)



Somany Ceramics' manufacturing facilities are built on a unique dual approach that combines in-house production at self-owned manufacturing plants with strategic partnerships with external manufacturers. This strategy ensures enhanced product effectiveness, integration of innovative technologies, distinctive and exclusive designs, faster product launch timelines, and a secure and reliable supply chain. The Company operates manufacturing facilities in several locations, including Derabassi (Punjab), Bahadurgarh (Haryana), Kadi (Gujarat), Morbi (Gujarat), and Tirupati (Andhra Pradesh).

Additionally, Somany is committed to enhancing its operational efficiency through continuous upgrades and the implementation of the Kaizen philosophy. By fostering a culture of ongoing improvement and embracing innovative approaches, the Company aims to optimize its operations, increase efficiency, and minimize waste.

Established in 1971, Somany's Kassar plant in Haryana has been integral to the Company's operations. Specializing in glazed vitrified tiles, wall tiles, ceramic floor tiles, and planks, this manufacturing unit is strategically located to benefit from low competition and logistical advantages in serving the northern market.



Established in 1983, the Kadi plant in Gujarat is strategically situated near a major port and national highways. This advantageous location allows for reduced transportation costs and enhanced operational efficiency. The proximity to local vendors ensures a consistent supply of raw materials, further contributing to the plant's seamless operations.

Somany Ceramics has inaugurated a new facility in Morbi, Gujarat, having an annual production capacity of 4 million square meters. The plant leverages SACMI-ITALY's CONTINUA+ solutions, known for their exceptional quality, performance, speed, and fuel efficiency. With over a dozen installations in India, SACMI's CONTINUA+ plants offer significant competitive advantages. This investment marks the Company's first venture into CONTINUA+ technology, benefiting from SACMI's expertise and further strengthening the longstanding partnership between the two companies.

Recognizing the importance of sustainability, the Company focuses on reducing raw material consumption. This is because it directly impacts production costs and the environmental footprint of the manufacturing process. Somany invests in R&D to optimize the mix and quantity of raw materials used in tile production, including the use of alternative, less expensive materials that maintain product quality.

Additionally, the Company introduces thinner products that use less glaze material while still complying with ISO standards. This initiative has reduced the consumption of natural resources, energy and fuel by approximately 5-10%, demonstrating a strong commitment to sustainability. Furthermore, Somany develops processes to recycle waste products back into the production cycle. For example, reusing ceramic waste and sludge can significantly reduce the demand for new raw materials and decrease waste disposal costs.

## Strengths of Somany's Manufactured Capital



### Team

The Company possesses a highly proficient manufacturing team with extensive experience spanning multiple years.



### Supply Chain

The Company's manufacturing plants serve as hubs for dispatching products to meet the demands of the distribution network.



### Upgradation

The Company's manufacturing facilities have undergone periodic upgrades to enhance adaptability to new designs and evolving process requirements.

# Capital Trade-offs

## Manufacturing Capital Interlinked with Other Capitals



### Financial Capital

Financial capital assets enables the Company to establish and maintain profitable operations throughout the country.



### Intellectual Capital

The presence of pan-India manufacturing facilities plays a crucial role in preserving Somany's brand reputation and technology infrastructure, initiating innovations, and digitizing operations.



### Natural Capital

Somany Ceramics actively works towards maximizing the efficient utilization of natural resources and minimizing waste at facilities, to reduce its environmental impact.



### Human Capital

As the Company's manufacturing capital generates revenue, it is appropriately allocated to compensate for our valuable human resources.



### Social and Relationship Capital

The existence of warehouses has facilitated the development of strong relationships with local stakeholders and underprivileged communities.





## Intellectual Capital

### Pioneering Solutions Shaping Future

Amidst the dynamics of the ceramics industry, innovation is the cornerstone of progress at Somany. The Company stands at the vanguard of this evolution, harnessing intellectual capital to pioneer smart solutions for a brighter future. The Company's relentless pursuit of excellence is evident in its forward-thinking approach, blending cutting-edge technology with creative design to shape the industry's landscape.

₹ 216 Lakhs

R&D Expenditure for 2023-24

## Upgradation of Processes



### Automation and Control Systems

Implementing more sophisticated automation systems in its manufacturing processes helps the Company reduce human error. It also helps in increasing precision in the use of raw materials, thereby optimizing the overall production process.



### Quality Enhancement Techniques

The launch of new sizes ranging from 200 x 200 mm to 800 x 3000 mm in both full body and glazed vitrified digital tiles brings European design and technology trends to Indian consumers at an affordable price. This expansion from smaller to large format tiles (LFT) sizes caters effectively to varied aesthetic and practical needs.



### Lean Manufacturing Practices

The Company adopts lean manufacturing techniques to reduce waste and improve operational efficiency. This involves continuous process evaluation and adjustment to minimize waste and streamline operations. For example, both plants have installed solar power plants for generating electricity.

## Technology Advancements



### Digital Technology

The glazed vitrified tiles in the Aspire series are available in 6 mm, 8 mm, and 9 mm thicknesses and feature full digital designs. These are excellent examples of products that consume fewer natural materials over the long term.



### New Production Machinery

The installation and successful operation of a refurbished digital machine in production is an excellent initiative. It not only reduces the need to purchase new machines but also indirectly cuts down on the consumption of natural materials required for manufacturing and importing new equipment.



### Research and Implementation of Technology

The introduction of double digital Shape Tech technology at the Max plant represents a revolutionary step in creating micro-relief textures akin to punch effects. This innovation significantly reduces the need for master and punch inventories, along with the associated indirect emissions from their manufacturing.



## Product Patents

**1** Granted

VC Shield: A High Abrasion Resistant Glaze Composition

**136**

Trademarks

**1**

Department of Scientific and Industrial Research (DSIR) Recognized R&D Unit

In recognition of its pioneering efforts, Somany Ceramics has been granted a patent for its VC Shield technology. This innovative solution protects tiles against wear, scratches, stains, and weather damage. The Company's products have also earned esteemed eco-certifications, such as the Indian Green Building Certification (IGBC) and the WEP-I Water Rating, reinforcing its dedication to environmental sustainability.



## Temp Shield

Temp Shield tiles are designed for roofs and sun-facing sides, effectively reducing room temperatures, and helping to save on energy bills. Ideal for roofs, pavements, courtyards, and balconies, these tiles help beat the heat inside homes. Additionally, these heat-resistant tiles contribute to reducing the Urban Heat Island Effect. This not only contributes to lower energy consumption for cooling systems but also promotes a cooler, more comfortable urban environment.

Save the Electricity

Verified Body for Prolonge

>90 Solar Reflective Index

Make Indoors Comfortable

Reduce the Temperature



## Slip Shield

Slip Shield is a range of tiles specifically designed to prevent slip and fall incidents in water-prone areas. Coated with a special grip-enhancing coating, these tiles are ideal for use in bathrooms and outdoor spaces. Somany Slip Shield tiles are not only slip-resistant but also stain and blemish resistant, making them highly functional and easy to maintain. They add a sense of classic elegance to design, even in utility areas. They are also scratch and blemish resistant and have been tested by the Ceramic Research Company in Malaysia.

Anti-Skid

Built Tough

Digital Printing

0.6-0.7 Friction Range in Dry Conditions

Versatile

Easy to Lay

Easy to Clean

0.5-0.6 Friction Range in Wet Conditions



## Hydrophobic Technology

Hydrophobic technology refers to a unique property of materials to repel water molecules. It involves applying a coating on the tile surface to prevent water absorption. This technology works by creating a barrier that prevents water from penetrating the surface of the tiles, thereby reducing the chances of water damage, staining, and growth of mould or mildew.

Easy to Lay

Fire Resistant

Frost Resistant

Digital Printing

## Capital Trade-offs

### Intellectual Capital Interlinked with Other Capitals



#### Financial Capital

By striving to develop fresh and inventive solutions for its clients, Somany Ceramics enhances its ability to connect with a broader range of target audiences. This, in turn, boosts both its profitability and the well-being of communities.



#### Manufacturing Capital

The advancement of novel financial products and solutions, including Slip Shield, Temp Shield, Hydrophobic Technology, influences the Company's reach. Somany Ceramics aims to create a more customer-centric experience through these changes.



#### Natural Capital

The Company firmly believes that integrating sustainability into its solutions and operations as a fundamental practice will yield long-term environmental benefits.



#### Human Capital

Since innovation is an ongoing process, it also affects the regular job responsibilities of the Company's employees. This necessitates training to ensure its adaptability to the required changes.



#### Social and Relationship Capital

As the Company progresses towards offering a more inclusive and responsible range of solutions, Somany Ceramics anticipates that its key stakeholders will recognize its efforts. This recognition will foster their trust in the Company for an extended period.

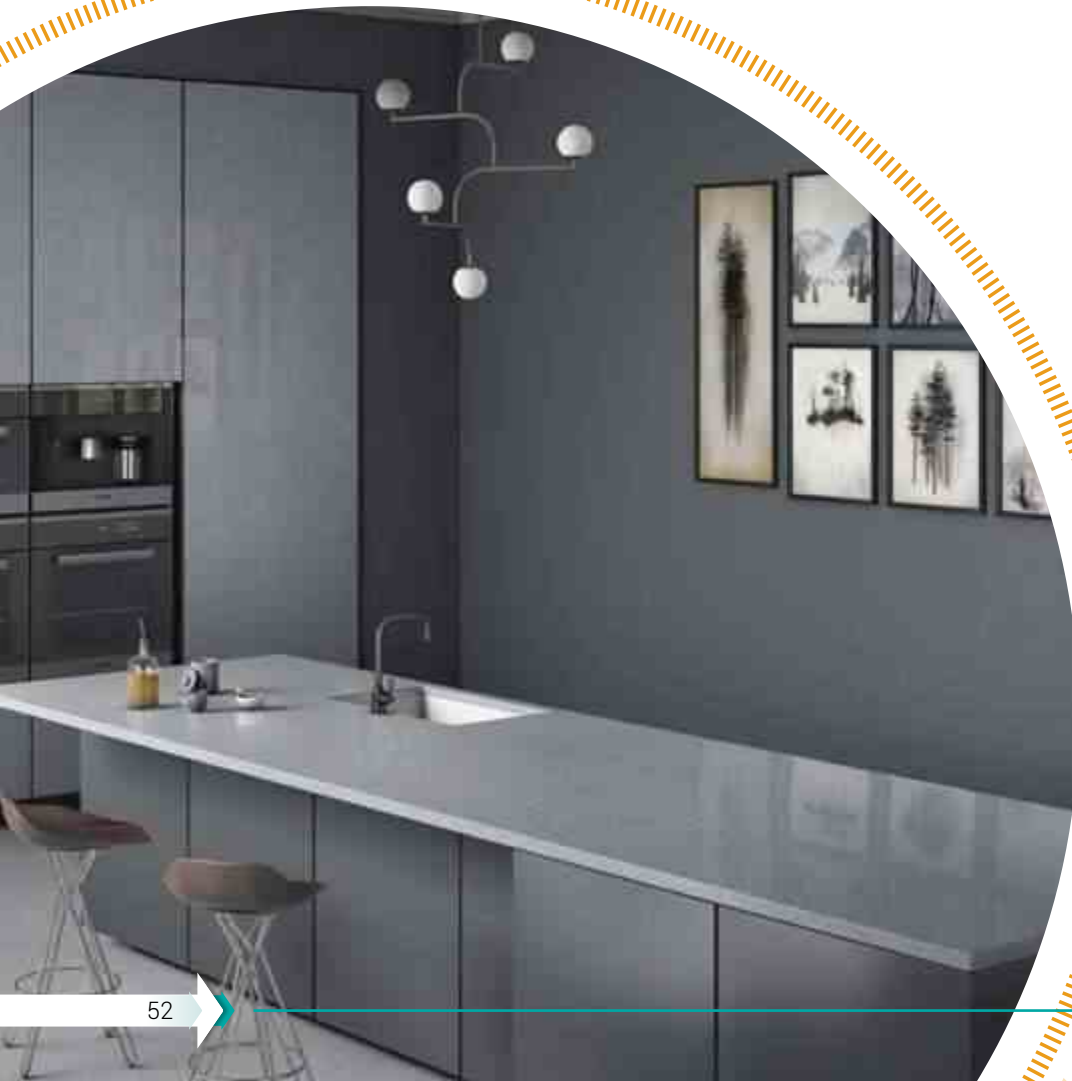




## Human Capital

### Inspiring Minds Empowering Growth

For Somany Ceramics, its people are central to the Company's success and its remarkable achievements. Somany Ceramics ensures the well-being of its extensive workforce nationwide through carefully crafted policies that have a positive and meaningful impact. The Company strives to create an environment where their work is not only fulfilling but also inspiring.



Somany Ceramics adheres to the ethos of 'One Team One Somany,' to foster an inclusive and secure work environment that ensures job contentment and individual advancement. The Company's aim is to guarantee that each team member feels appreciated, assisted, and empowered to contribute to the collective success narrative.

### Total Workforce as of 31 March, 2024

1,654

Employees

2,518

Workers

4,172

Total Workforce

## Talent Development, Attraction, and Retention.

Somany Ceramics has implemented a robust recruitment strategy designed to attract and retain top talent. Each year, a detailed recruitment plan is crafted, and candidates undergo competency based interviews. Employees receive a comprehensive range of benefits, including health and accident insurance. The Company's onboarding program, 'Aagman,' is designed to acquaint new hires with organizational policies and procedures.

Employee satisfaction is a top priority for Somany Ceramics, and the Company regularly seeks feedback to address any grievances or concerns through a dedicated grievance/redressal mechanism





system. This engagement allows the development of employee-centric policies and programs. Somany Ceramics respects the right to collective bargaining agreements and unionization, with 100% of the workforce currently covered by such agreements.

Moreover, the Company prioritizes employee engagement through various initiatives such as 'Samwad' for new joiners and 'Stay Interviews' for existing employees. This promotes open communication and helps address any concerns.

### Turnover Rate in 2023-24

● **11.8%**

Permanent Employees

● **5.9%**

Permanent Workers

Somany Ceramics instituted a year-long initiative across both plants, implementing strategies to reduce the hire-to-joining ratio, first-year dropouts, and overall attrition. This program prioritized employee retention and engagement, aiming to improve the retention rate, enhance employee engagement, and foster a more engaging and appreciative workplace environment. All employees and workers benefited from this initiative, ensuring a more fulfilling experience for everyone in the organization.

## Employee Connect

Somany Ceramics has instituted several grievance redressal mechanisms for employees to address concerns in an effective manner.



### Help Desk

A Help Desk has been created to address employee complaints. This is also for any complaints made through the Help Desk or any violations of the standards outlined in the whistle blower policy, business code of conduct and Human Rights policy.



### Works Committee

In accordance with the Industrial Dispute Act, the Company has instituted a 'Works Committee' with equal representation of management and workers. The Committee convenes every quarter to address any grievances.



### Internal Complaints Committee

In accordance with the POSH Act, the Company has an Internal Complaints Committee (ICC) that convenes every quarter to ensure that the Act is being implemented effectively.



### Safety Committee

In accordance with the Factory Act, the Company has a Safety Committee which addresses issues/complaints.

### Employee Grievances Reported in 2023-24

Sexual Harassment	Nil
Discrimination at Workplace	Nil
Child Labor	Nil
Forced Labor/Involuntary Labor	Nil
Wages	Nil
Other Human Rights-Related Issues	Nil

Somany Ceramics has implemented a Competence-Based Performance (CBT) appraisal system to ensure effective performance evaluation. This system assesses performance using pre-determined KPIs and identifies learning and skill gaps. Managed through various technological portals, the system is based on the 9 Box Performance Grid.

### Employee Performance Reviews in 2023-24

94.2%

Male Employees

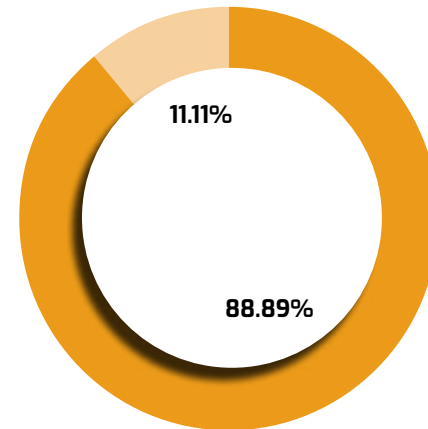
88.9%

Female Employees

## Diversity

Somany Ceramics is committed to providing equal opportunities to its employees and does not discriminate based on creed, color, gender, ethnicity, or any other factor. Recognizing employees as its greatest and primary assets, the Company supports their growth and enhances their capabilities through various initiatives. Somany Ceramics firmly believes that a diverse workforce fosters innovation. Therefore, the Company is dedicated to promoting diversity, including in management positions, as outlined in the Board Diversity Policy.

## Diversity in Management in 2023-24



● Male

● Female

## Learning and Development

At Somany Ceramics, employee well-being is prioritized through a range of initiatives. The Company is dedicated to nurturing employees both professionally and personally. To ensure career development and growth opportunities, Somany offers certification programs such as the IIMI-Executive Certificate Program in Strategy and Leadership for senior professionals and organization development certification. These programs equip employees with valuable skills and knowledge to excel in their careers. Furthermore, the Company provides various internal and external learning opportunities to support their growth and enhance their capabilities.

### Somany Learning University

Somany Ceramics has established the Somany Learning University to provide essential education in ceramics production. The university offers training not only to Somany's employees but also to unemployed youth. Through short-term courses, the university imparts both theoretical and practical knowledge, enhancing job opportunities in the ceramics industry. Somany Ceramics is the first Company in India to offer these courses free of charge to the youth, with the objective of supporting the development of the ceramics industry.

## Somany E-Campus

The Somany E-Campus is a digital platform where all employees can pursue relevant courses pertaining to their job functions or areas of interest. These specialized courses and modules have specifically been designed to nurture the learning appetite of Somany's new-age learners. Each employee has a personalized learning dashboard that motivates the learning achievements of all employees.

## Skill Upgradation Training for Employees in 2023-24

84.9%

Employees

75.9%

Workers

## Leadership Development

Somany Ceramics is committed to developing its employees into future leaders by equipping them with the necessary skills, learning opportunities, and support. This further helps them reach their full potential and assume leadership roles.

1

### Samarthya

Under this program, learning initiatives are strategically aligned to key improvement areas from a leadership standpoint.

2

### Arjunas

In this program, prospective leaders from the middle management are identified.

3

### Ninjas

As a part of this career advancement initiative, the potential of top performers to transition to the middle management level is assessed.

Since the program's inception, the Company has successfully identified and supported the development needs of a diverse group of employees across various teams.

17 Employees

In Samarthya's Team

## 50 Employees

In Arjuna's Team

## 121 Employees

In Ninja's Team

### Recent Developments

In its ongoing effort to improve and expand employee development programs, Somany Ceramics is creating Individual Development Plans (IDPs) for each participant. IDPs are personalized roadmaps that outline specific goals, training needs, and career milestones, ensuring that each employee receives targeted support tailored to their unique aspirations and potential. The development of these plans marks a significant step forward in Somany's commitment to personalized employee growth and sustainable human capital development.



## Occupational Health and Safety

Occupational Health and Safety (OHS) is a top priority for Somany Ceramics, and the Company is dedicated to providing a safe and healthy workspace for all employees, aiming for zero accidents and injuries. Somany Ceramics has implemented an OHS system in its plants to ensure a safe work environment, with both plants certified to ISO 45001:2018 standards. Additionally, a Safety Committee has been established to oversee safety performance and the implementation of safety measures.

The Company conducts Hazard Risk Identification Assessment (HIRA) for high-risk tasks, formulating standard operating procedures (SOPs) to mitigate risks. Employees undergo routine training in safety practices and incident reporting. National Safety Week is celebrated annually, with various workshops and drills held to enhance awareness and promote safety practices.

Somany Ceramics launched a year-long initiative aimed at prioritizing safety across all its plants in India. The focus was on providing comprehensive safety training to workers and staff at both plants, raising awareness of safety measures and enhancing staff preparedness for emergencies. This initiative benefited all employees directly, contributing to a safer working environment and reducing the likelihood of accidents.

## Occupational Health and Safety Workshops

Emergency Preparedness Plan

Fire and Safety Drill

First Aid Awareness

Storm Preparedness

## Safety Workshops

1 Forklift Driver Safety

2 Safety and Awareness

3 Glaze Line Operational Awareness

4 Uses of PPE

5 Safety Norms for Press Operations

6 Safety Norms for Sorting of Tiles

7 5S and Kaizen

## Employee Wellness and Safety Programs



## Benefits to Contractual Employees

Employee  
Depository  
Linked Insurance  
(EDLI)

Employee State  
Insurance  
Corporation  
(ESIC)

Provident  
Fund

Welfare  
Fund

Food at  
Subsidized Rates  
in Plant

## Benefits to Permanent Employees



## Automation and Upgradation: Enhancing Efficiency

In July 2023, Somany Ceramics initiated an automation project within its HR department to streamline goal setting through their HRMS platform. The aim was to enhance user-friendliness and accessibility of the task. As a result, the goal setting process became more efficient, reducing the time spent. This initiative benefited 1,345 employees, facilitating smoother operations, and enhancing productivity company wide.

In May 2023, at the Kassar & Kadi Plant, the Company implemented an initiative to automate the Leave Management System for workers. The project aimed to introduce a more eco- and user-friendly method for applying for leave. As a result, the process for applying leave has been modernized, reducing reliance on manual procedures. This has fostered a culture of adaptability within the Company. Around 652 employees have benefited from this program, leading to enhanced efficiency and employee satisfaction.

## Awards and Recognitions

In the past two years, Somany Ceramics has been honored with several prestigious awards, highlighting the Company's commitment to excellence and innovation in human resources:



L&D Excellence Award at the Tesseract 9<sup>th</sup> Edition  
Future L&D Summit and Awards, 2022 by UBS Forums

Top Organization with Innovative HR Practices at the  
Times Ascent Asia Pacific HRM Congress Awards, 2022



On-Boarding Program of the Year Award at the 13<sup>th</sup> Edition  
Future of L&D Summit & Awards, 2023 by UBS Forums

These accolades reflect the Company's dedication to fostering a dynamic and supportive workplace, continuously improving HR practices, and providing outstanding learning and development opportunities.



## Capital Trade-offs

### Human Capital Interlinked with Other Capitals



#### Financial Capital

At Somany Ceramics, the Company's people help it to drive growth and efficiency across products and departments. This, in turn, aids its overall financial performance.



#### Manufacturing Capital

Manufacturing capital, in the form of human resources, has facilitated the development of skills and expertise among the Company's employees. This has enabled it to establish a local presence and effectively serve underserved populations.



#### Intellectual Capital

Somany Ceramics' workforce has made a significant contribution to implementing, maintaining, and enhancing intangible assets such as its brand image, technology infrastructure, payment systems, and customer service platforms.



#### Natural Capital

Raising awareness among the Company's employees about incorporating eco-friendly practices into their daily routines helps Somany reduce its operational impact on the environment.



#### Social and Relationship Capital

Enhancing the capabilities of the Company's personnel helps Somany maintain positive relationships with customers, communities, investors, and other stakeholders within the ecosystem.

*All numbers in human capital are based on standalone enterprise*





## Social And Relationship Capital

### Cultivating Relationships Sustaining Growth

Somany Ceramics takes pride in its deep-rooted relationships with stakeholders, ranging from customers and suppliers to communities. The Company is committed to engaging with its stakeholders in a meaningful way, listening to their feedback, and incorporating it into its business practices. By cultivating these relationships, Somany Ceramics not only enhances its brand reputation but also creates value for all stakeholders.



## Branding Initiatives

This year, the Company's digital marketing efforts focused on enhancing performance and increasing brand awareness through various campaigns. Additionally, Somany embarked on a digital transformation journey, integrating WhatsApp and CRM systems, and implementing hyperlocal marketing strategies.

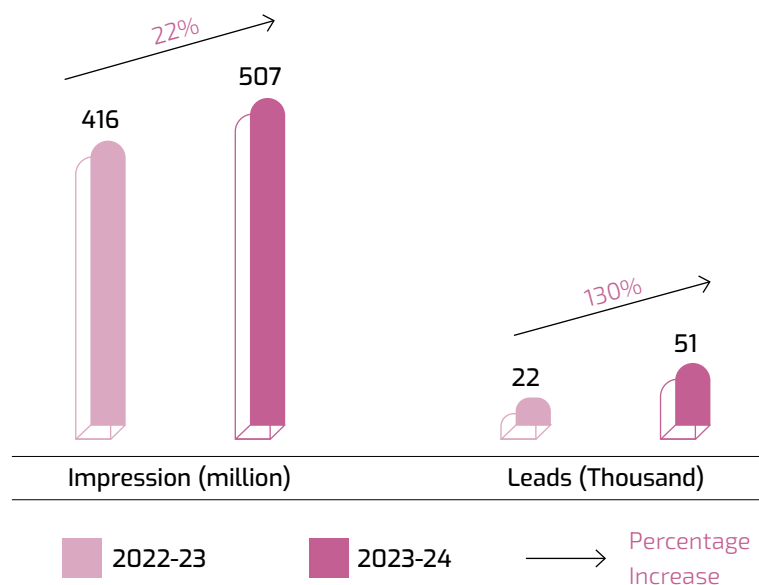
The Company's brand awareness campaigns yielded impressive results, generating 507 million impressions—a 22% increase compared to last year. Furthermore, Somany saw a remarkable 130% rise in digital leads from the previous year.

On social media, Somany Ceramics achieved significant growth across multiple platforms. The Company's Facebook following increased by 19%, while Instagram tile page followers grew by 30%. For bathware products, the Company saw a 27% increase in Facebook followers and an astounding 121% growth on Instagram. LinkedIn and YouTube also experienced notable growth, with a 20% and 13% increase in followers, respectively.

The Company launched two television commercials and five product films featuring Bollywood superstars Salman Khan and Varun Sharma. These advertisements highlighted its premium bathware collection and SOMANY Max Coverstone. Additionally, Somany released five digital films showcasing its innovative products: EZYfix Adhesive, VC Shield Tiles, Slip Shield Tiles, Temp Shield, and Durastone.



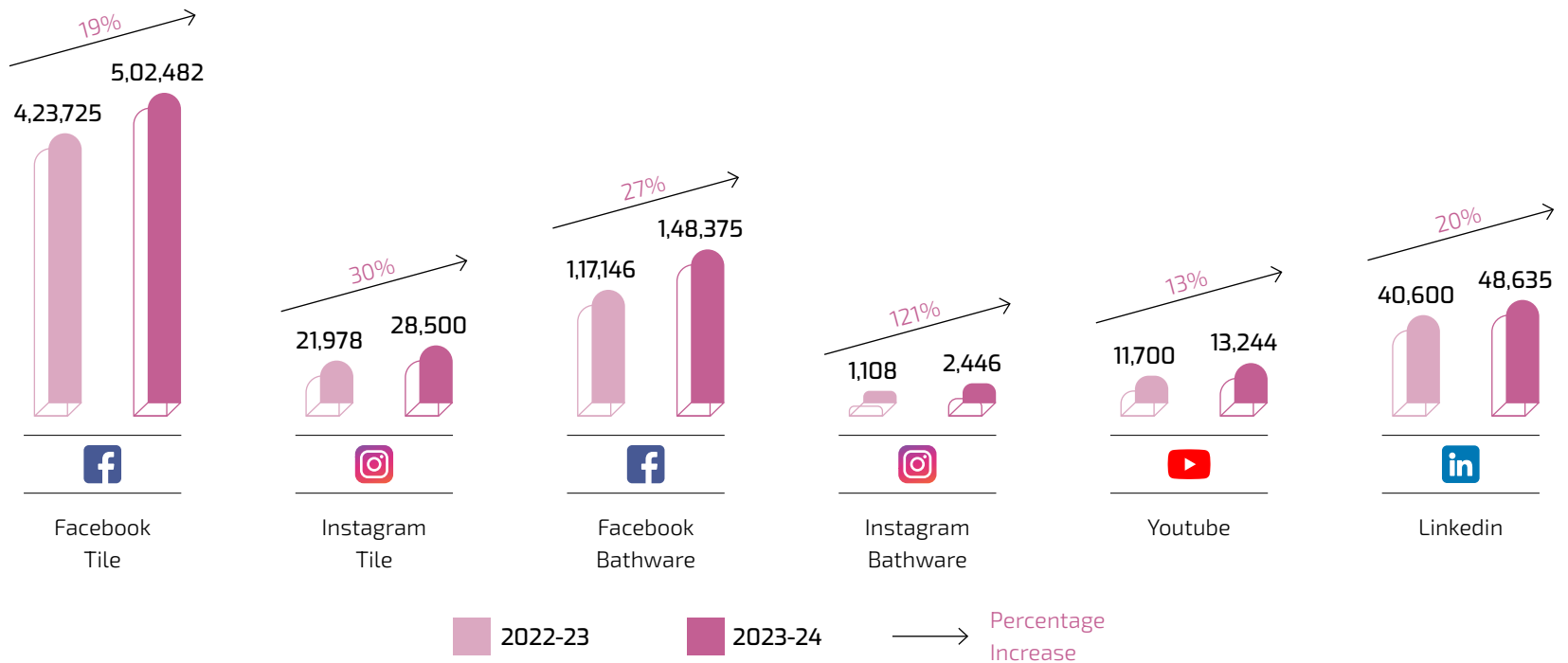
## Impression and Leads



● **19% Increase in**  
Facebook Followers

● **30% Increase in**  
Instagram Followers

## Social Media Followers



## Product Quality and Safety

At Somany Ceramics, maintaining high standards of product quality and safety is a top priority. The Company continuously improves and maintains these standards through effective quality control tools such as Pareto Chart Analysis to prioritize critical defects, Fishbone Diagrams to pinpoint root causes, and Control Charts to monitor production in real-time. Corrective and Preventive Actions (CAPA), including procedure updates and training enhancements, ensure consistent quality. The Company set a first-quality target of 90% for the current financial year, which it has successfully achieved.

Somany's commitment is further demonstrated through its ISO 9001:2015 certified Quality Management System. Its products meet the demanding criteria of European Certification (CE), and adhere to European health, safety, and environmental regulations. Additionally, there were no customer complaints reported for health and safety issues this year. The products also have Green Pro and BIS (Bureau of Indian Standards) certifications, showcasing Somany's commitment to excellence and adherence to international standards.

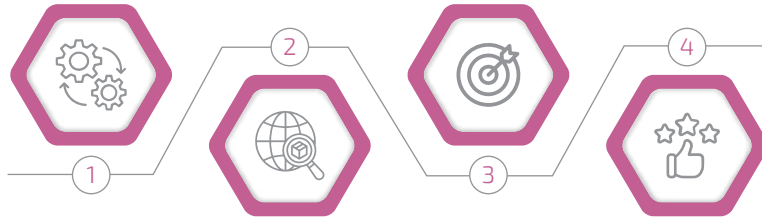


## ESG Aspects in Supply Chain

Recognizing its pivotal role in fostering sustainability across the value chain, Somany Ceramics has taken proactive steps since 2022-23. The Company introduced a dedicated Supplier Code of Conduct, setting clear guidelines for partners on ethical business practices, environmental responsibility, and upholding human rights. This initiative marks Somany's commitment to driving positive change beyond its own operations, inspiring accountability, and integrity throughout its network of suppliers and vendors.

### Sustainability Aspects in Supply Chain

In 2023-24, Somany prioritized transparency and sustainability in its supply chain through several key initiatives:



#### 1 Source to Pay Management

Handling all aspects of procurement from sourcing to payment

#### 2 Supplier Sourcing

Identifying and selecting the right suppliers for the right materials

#### 3 Technical and Commercial Negotiation

Conducting thorough negotiations to achieve the best technical and commercial terms

#### 4 Supplier Feedback

Regularly collecting and analyzing feedback from suppliers to improve processes and relationships

Additionally, Somany achieved 100% use of recycled/reused materials in biofuel and paper production, helping to further reduce carbon emissions. The Company also incorporated 21% of granite sludge into its overall material use. These efforts demonstrate significant progress towards its ESG goals.

## Community Development

As a socially responsible corporate entity, Somany is deeply committed to promoting inclusive growth through a range of impactful social upliftment programs. Spearheaded by the H. L. Somany Foundation, the Company's endeavors primarily focus on skill development and education, improving health, sanitation, and well-being, and fostering educational and vocational growth. Through these concerted efforts, Somany Ceramics actively contributes to the holistic development of the communities.

### Health and Well-Being

In November 2023, the Lions Club of Siliguri Magnum installed 'Three Bio Toilets in Sikkim' as part of their initiative to support those affected by floods. This project aimed to provide vital sanitation facilities to prevent disease outbreaks and promote public health in the region. This endeavor reflects Somany's commitment to promoting healthcare activities and addressing critical needs in communities facing adversity.

### Health and Safety

In February 2024, the 'Swacch Bharat – Sanitation and Hygiene Program' was initiated in Jhajjar, Haryana, in partnership with Third Planet. Its objective was to enhance healthcare and sanitation by fostering awareness of healthy hygiene practices. The program aimed to address the urgent need for better sanitation in the community, thereby fostering a cleaner, healthier, and safer environment.



## Learning and Development

Somany Ceramics has undertaken a significant CSR initiative in Tirupati, Andhra Pradesh and Mehsana, Gujrat by partnering with Third Planet execute the 'Education and Skill Development Program.' The program aimed to promote education and enhance skills in areas such as masonry, plumbing, tailoring, electrical work, and computer operations. This initiative was selected to advance education and equip individuals with vital skills for sustainable livelihoods.

### Tirupati



### Mehsana



## Biodiversity

In November 2023, Somany Ceramics partnered with the PHD Rural Development Foundation to initiate a substantial CSR project in Alwar, Rajasthan. The 'Plantation & Enabling Farmers to Enhance Income' initiative aimed to promote environmental sustainability by focusing on fruit plantation and farm pond construction. This project aimed to empower farmers, fostering economic growth while conserving natural resources.

## Ensuring a Healthy Society

The H. L. Somany Foundation, in collaboration with HelpAge India, is making strides towards ensuring a healthier society. Through the introduction of mobile healthcare units (MHU) in Morbi and Tirupati, Somany Ceramics is committed to bridging the healthcare gap for underprivileged communities.

The MHU initiative is tailored to meet the primary healthcare needs of these communities, delivering top-notch services directly to their doorsteps, free of charge. This approach eliminates barriers to accessing essential healthcare, sparing individuals the inconvenience of traveling to distant facilities. Each MHU is staffed with a qualified medical professional, pharmacist, social worker, and dedicated driver cum community mobilizer, ensuring comprehensive care for all beneficiaries. The services provided include:

## Primary Healthcare

1

Offering preventive care, curative medications, and counseling for early detection and improved health outcomes

2

## Home Visits

Providing essential medical attention to those unable to reach the MHU

3

## Disease Tracking

Monitoring community health trends to guide targeted interventions and resource allocation

4

## General Health Camps

Extending medical support through community wide health camps

5

## Health Awareness Camps

Educating communities on health issues, preventive measures, and the importance of healthy living

6

## Dental Health Camps

Addressing dental issues among the elderly through MHUs, including denture fittings

7

## Blood Donation

Organizing blood donation camps to encourage community participation





## Swachhta Ek Zaroorat

Somany Ceramics has worked on a transformative project addressing inadequate sanitation facilities. This project showcases the potential of small-scale efforts, demonstrating positive outcomes in enhancing health, education, and economic development.

Lack of proper sanitation and hygiene poses a significant challenge in India, particularly in underprivileged communities, leading to widespread health issues. Without access to clean water and adequate sanitation facilities, individuals are at higher risk of contracting diseases like diarrhea, cholera, and typhoid. Poor sanitation also affects overall well-being, and hinders educational opportunities and economic development. Addressing these issues requires comprehensive efforts to improve infrastructure, raise awareness, and promote healthy hygiene practices, ensuring a safer and healthier environment for all.

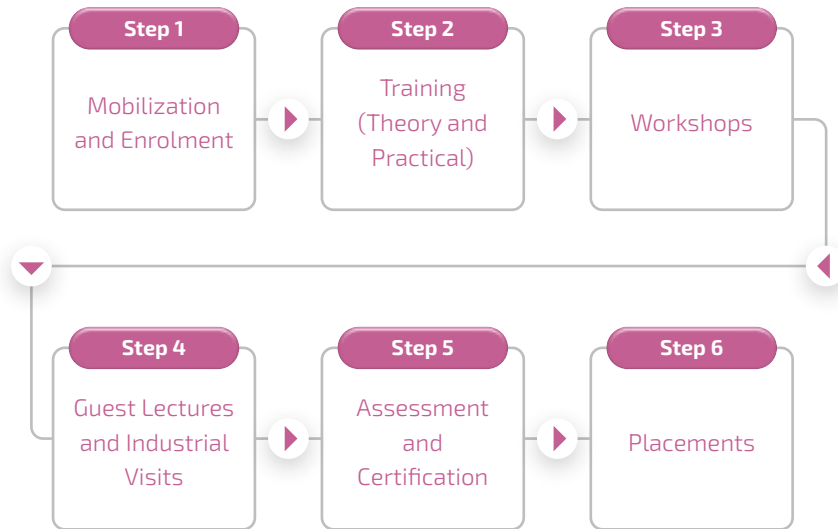
The Government of India has undertaken several initiatives to address the challenges of sanitation and hygiene. The Swachh Bharat Abhiyan (Clean India Mission), launched in 2014, is one of the most notable campaigns, aiming to achieve universal sanitation coverage and eliminate open defecation by constructing millions of toilets across the country. The Jal Jeevan Mission focuses on providing safe drinking water to all rural households, further improving sanitation and hygiene. To support this mission, Somany Ceramics aims to enhance access to proper facilities, foster hygiene promotion and disease prevention, reduce open defecation, and emphasize public awareness through education and outreach initiatives in Jhajjar district, Haryana.



## Hunar - Skill Education and Livelihood Development Program

Skill education is crucial in India as it empowers individuals with practical abilities, making them more employable and enabling economic growth. It bridges the gap between formal education and industry requirements, fostering innovation and entrepreneurship, ultimately contributing to the country's socio-economic development. The Hunar Project by Somany Ceramics in Andhra Pradesh aims to foster sustainable education, skill, and livelihood development, contributing significantly to the nation's progress.

## Project Flow and Structure



## Outcomes of the Project

- Livelihood opportunities through skill enhancement and vocational training
- Value add through soft skills and personality development, preparing individuals for the job markets
- Opportunities to acquire skills throughout life, especially for youth and marginalized groups
- High-quality skilled workforce and entrepreneurs

## H.L. Somany Scholarship: Promoting Inclusive Education

Somany Ceramics is committed to providing deserving students with access to high-quality education, regardless of their financial background. The Company's focus extends to fostering international, national, and regional diversity, with students hailing from different backgrounds. Somany has extended its financial support to underprivileged students who aspire to broaden their academic horizons and gain multidisciplinary, practical, and evidence-based learning in the diverse company of faculty and fellows.

## Capital Trade-offs

### Social and Relationship Capital Interlinked with Other Capitals



#### Financial Capital

Cultivating enduring and reliable connections with stakeholders enables the Company to enhance its financial standing



#### Manufacturing Capital

Ongoing engagement with all stakeholders empowers it to bolster its blended physical and digital presence



#### Intellectual Capital

Development and advancement of Somany's intellectual capital, with the dynamic and evolving needs of stakeholder groups serving as vital inputs



#### Human Capital

Inspiring employees to excel and fostering higher rates of employee retention, by creating sustainable, long-term value for all stakeholders



#### Natural Capital

Increasing preference for companies with minimal carbon footprint with increase in stakeholder awareness of climate change





## Natural Capital

### Greening Horizons Being Eco-Conscious

Somany Ceramics is committed to environmental stewardship, recognizing the intrinsic value of natural capital in sustaining the planet's delicate balance. From responsible sourcing of raw materials to efficient use of resources in production, the Company strives to minimize its ecological footprint while maximizing the preservation of natural ecosystems.



To ensure robust environmental governance and further elevate the Company's performance, Somany has implemented Environmental Management Systems (EMS) across all its plants. These systems are certified to meet the ISO 14001:2015 standard, providing a solid framework for managing environmental responsibilities effectively.

## Resource Efficiency

### Material Inputs

Efficient resource utilization lies at the heart of Somany Ceramics' environmental strategy. The Company is committed to optimizing resource consumption and minimizing material waste through innovative initiatives. To enhance efficiency, Somany has developed a range of lightweight tiles with reduced thickness, resulting in decreased raw material usage during production. For certain product lines, the Company has transitioned to single-coat glazing, significantly reducing the need for glazing material.

### Waste Management

Somany Ceramics is committed to efficient waste management practices across all its plants. The Company has developed SOPs to ensure safe and responsible disposal and adheres strictly to all waste disposal regulations, following the State Pollution Control Board (SPCB) guidelines to collect and process waste. Within its operations, Somany actively pursues recycling and utilizes waste from various production stages as input materials, with approximately 10% of its input materials during the reporting period being recycled waste.

As part of its ongoing efforts, the Company has implemented a system to collect dust directly in tanks, minimizing waste and ensuring responsible disposal practices. Hazardous waste, such as ETP sludge, is reused as a raw material, while broken tiles are also reused in the production process, further reducing environmental impact.

### Waste Generated 2023-24

2,761.80

Hazardous Waste in Metric Tons (MT)



1,058.05

Non-Hazardous Waste in Metric Tons (MT)

### Energy Efficiency

Somany Ceramics meets its energy needs through a diverse range of sources, ensuring reliability and sustainability. The Company's energy mix includes grid electricity, solar power, diesel, LPG, PNG, biomass, and coal.

Somany Ceramics is committed to reducing energy consumption and emissions through energy efficiency, transitioning to renewable energy, and using cleaner biofuels as substitutes for fossil fuels. The Company closely monitors its energy usage through regular audits to inform its conservation strategy. Its initiatives include replacing high-power light fittings, installing transparent roof sheets. This helps in minimizing the Company's environmental footprint and aligning with its long-term sustainability objectives.

## Energy Consumption 2023-24

20,89,534

Total Fuel Consumption in Gigajoules (GJ)

2,20,222

Total Electricity Consumption in Gigajoules (GJ)

## Energy Efficiency Initiatives

- Adoption of double kiln technologies
- Installation of variable frequency drives (VFD) in motors
- Use of energy efficient motors in kilns and horizontal dryers to reduce electrical power consumption
- Waste heat recovery from kilns
- Reduction of the maximum work pressure of air compressors
- Use of high-efficacy LED lighting
- Reduction in idle running time through automation
- Fitting of transparent roof sheets

As of 2023-24, Somany Ceramics currently boasts a total installed solar energy capacity of 3.5 MW, with 2.5 MW located at Kassar and 1 MW at Kadi. The Company is swiftly transitioning towards cleaner biomass-based fuels, including ground-nut cell briquettes, biomass-based pellets, and sawdust. Aligned with its commitment to reducing the carbon footprint, the Company has established a target to enhance the thermal and electrical efficiency of its production process by 5% by 2025, using the 2022-23 base year as a reference.

## GHG Emissions 2023-24

82,699

Scope 1 in Metric Tons (MT) CO<sub>2</sub> Eq

41,011

Scope 2 (Location Based) in Metric Tons (MT) CO<sub>2</sub> Eq

## Air Emissions

At Somany Ceramics, air emissions from stacks and diesel generators (DG sets) are continuously monitored to ensure they remain within prescribed limits. The Company is fully compliant with all statutory norms and regulatory requirements regarding air emissions and quality.

In addition to these compliance measures, the Company is actively working to reduce air consumption and improve the efficiency of its spray dryer. These initiatives are part of Somany's ongoing commitment to environmental stewardship and sustainability.

## Air Emissions 2023-24

120

NO<sub>x</sub> in Metric Tons (MT)

105

SO<sub>x</sub> (Location Based) in Metric Tons (MT) CO<sub>2</sub> Eq

169

Particulate Matter (PM) in Metric Tons (MT)

## Water Conservation

Acknowledging the water-intensive nature of ceramics production and the growing impact of water scarcity due to climate change, Somany Ceramics has implemented a robust water conservation strategy. Both its plants in Kassar and Kadi operate on a zero-liquid discharge (ZLD) basis, ensuring that all wastewater is recycled within the plant premises. In line with its commitment to sustainable water management, Somany Ceramics has set a target to improve its water intensity by 6.5% by 2025, based on the 2022-23 base year.

### Water Withdrawal 2023-24

1,30,279

Surface Water in Kiloliter (KL)

66,069

Ground Water in Kiloliter (KL)

93,614

Third-Party Water in Kiloliter (KL)

## Capital Trade-offs

### Natural Capital Interlinked with Other Capitals



#### Financial Capital

By implementing energy saving initiatives and adopting practices like water recycling, the Company can also achieve cost rationalization while demonstrating its commitment to sustainability and enhancing its ESG ranking.



#### Manufacturing Capital

The availability of natural resources plays a vital role in establishing the necessary physical infrastructure for expanding the Company's business's footprint, underscoring their significance to its operations.



#### Intellectual Capital

Embracing sustainability in its offerings will gradually reshape Somany's approach to innovation, enabling it to incorporate sustainable practices into its thought processes and drive positive change.



#### Human Capital

Integrating environmental conservation as an organizational culture will not only impact its work culture but also influence the Company's learning and development initiatives, fostering a collective commitment to sustainability.



#### Social and Relationship Capital

The responsible use of resources ensures its contribution towards making common resources available and accessible to everyone in society, aligning with Somany Ceramics' mission to promote equitable resource utilization.

*All numbers in natural capital are based on standalone enterprise*

## Ethical Compass

# STRATEGIC OVERSIGHT

**Somany Ceramics' commitment to ethical and transparent governance practices is deeply rooted in the esteemed tradition of the Somany Group. Drawing from this rich heritage, the Company's corporate governance philosophy is firmly grounded in professionalism and integrity, consistently upholding the highest standards.**

Guided by a Board of Directors with extensive industry experience spanning multiple decades, Somany Ceramics operates with independence and impartiality, always prioritizing the best interests of the Company and its stakeholders. The strategic guidance provided by the Board, along with their wealth of knowledge, has been instrumental in helping the Company navigate through the challenges posed by the dynamic external landscape. This commitment to governance excellence enables Somany Ceramics to foster trust, ensure accountability, and deliver sustainable value to its regulators, employees, customers, vendors, investors, and society at large.

1

The rich heritage of the Somany Group is deeply intertwined with a legacy of upholding fair, transparent, and ethical governance practices.

2

The Somany Group emphasizes on robust corporate governance as a fundamental driver for achieving long-term objectives and enhancing stakeholder value.

3

At the core of the Somany Group's philosophy lies a commitment to ensuring fairness, transparency, and integrity in management. This commitment is aimed at safeguarding the interests of all stakeholders.

## Code of Conduct

Somany Ceramics maintains a strong commitment to ethical governance practices. The Board of Directors has implemented a comprehensive Code of Conduct, which includes the duties of Independent Directors as specified in Schedule IV of the Companies Act, 2013. This Code is adhered to annually by all Board members and senior management personnel in accordance with Regulation 26(3) of the SEBI (LODR) Regulations, 2015. The Managing Director & CEO have signed a declaration affirming their adherence to this Code, which is included as part of this report.

The annual compliance of this Code is duly recorded to uphold the highest standards of governance within the company. By adopting and adhering to Codes of Conduct, Somany Ceramics demonstrates its commitment to ethical practices, accountability, and transparency in all aspects of its operations. These measures foster a culture of integrity and responsible governance throughout the Company.



## Board Functions

1

Defining the Company's guiding principles and goals

2

Creating plans for the Company's future growth and success

3

Establishing expectations for ethical conduct among employees

4

Ensuring adherence to all relevant rules and regulations

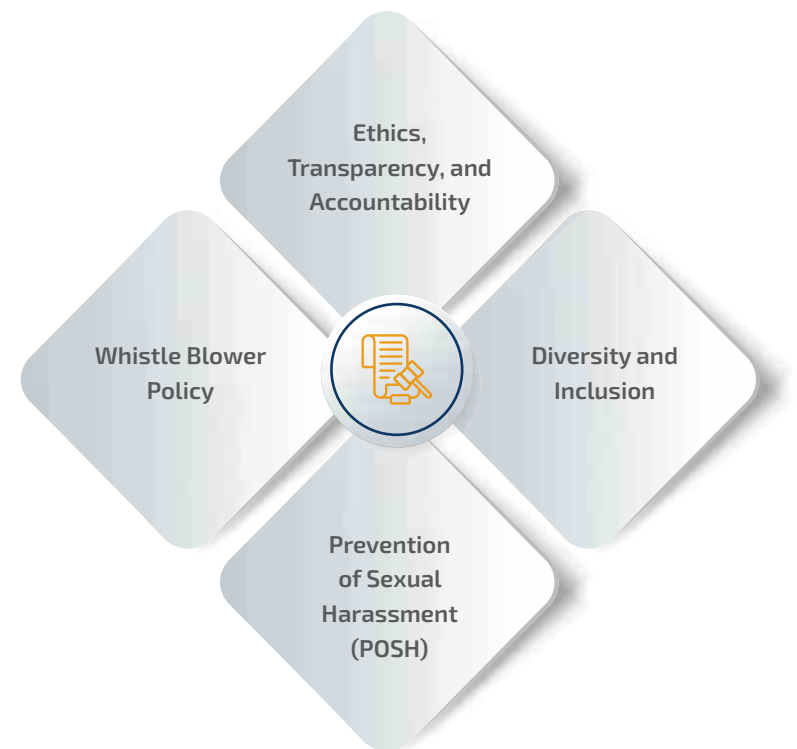
5

Keeping shareholders informed about important Company updates and progress

## Strict Adherence to Ethical Practices

In line with its commitment to good corporate governance, Somany Ceramics demonstrates a strong dedication to ethical practices across all its business segments. The Company has developed a robust governance framework encompassing systems, policies, processes, and practices that foster an environment of trust and uphold ethical conduct. This framework serves as the cornerstone of its operations, enabling Somany Ceramics to establish a culture of integrity, transparency, and responsible business practices.

## Key Governance Policies



## Sustainability Governance

The Risk Management Committee of the Board at Somany Ceramics is responsible for overseeing the Company's sustainability agenda. This committee ensures that Somany's sustainability strategy addresses current and emerging environmental and social risks. The strategy is implemented by the Corporate Leadership Team in conjunction with the operational team. The Committee routinely evaluates progress against the Company's sustainability ambitions and oversees the formulation and implementation of various policies to ensure ethical and sustainable business practices.



# G O V E R N

## Value and Ethics

Somany Ceramics is committed to conducting business in an ethical and transparent manner. This commitment is operationalized through its Code of Conduct for Directors and Senior Management Personnel, who are required to attest to their acknowledgement of the Code. Additionally, the Company has implemented an Ethics, Transparency, and Accountability Policy that delineates clear expectations regarding conduct, including provisions pertaining to bribery and corruption. This policy applies to all individuals associated with the Company.

To support this commitment, a Whistleblowing Mechanism is in place, enabling stakeholders to raise concerns about unethical practices. Notably, no complaints about bribery, corruption, or any other unethical practices were reported during the reporting period.

## Statutory and Regulatory Compliance

Somany Ceramics is subject to various economic, environmental, and social regulations. To ensure adherence to these regulations, the Company has developed a comprehensive compliance management system. This system monitors compliance with existing regulations and analyses the requirements of upcoming regulations.



## Progressive Board

# VISIONARY LEADERSHIP



**Mr. Shreekant Somany**  
**Chairman & Managing Director**

Mr. Shreekant Somany, the Chairman & Managing Director of Somany Ceramics Limited, has exhibited exemplary leadership in establishing the brand as a prominent household name both in India and abroad. Under his astute guidance, the Company has emerged as a leading manufacturer of tiles, sanitaryware, and bath fittings. Notably, he pioneered the revolutionary 'VC SHIELD' technology, significantly enhancing tile durability and making Somany the first Indian ceramic tile company to secure a patent under the Indian Patent Act.

His exceptional technical expertise has garnered recognition from esteemed organizations, including the American Ceramic Society, where he received the Corporate Technical Achievement award. He has contributed significantly to various industry bodies, holding esteemed positions such as Founder and Past Chairman of the Confederation of Constructions Products and Services (CCPS), Past Chairman of the Indian Council for Ceramic Tiles and SanitaryWare (ICCTAS), and Past Chairman of the Confederation of Indian Industry Northern Region. Additionally, he served as the Past President of the Indian Ceramic Society and is an active member of the CII National Council. He also served as the Chairman of the CII National SME Council and is presently the Chairman of the CII Centre for Excellence for Competitiveness for SMEs. Under his visionary leadership, Somany Ceramics Limited has excelled, driven by innovation and a commitment to excellence



**Mr. Abhishek Somany**  
**Managing Director & CEO**

Mr. Abhishek Somany, a third-generation entrepreneur, currently leads Somany Ceramics as the Managing Director & CEO, driving the Company's growth and success. With extensive industry experience, he underwent training at Kanoria Chemicals in Uttar Pradesh and M/s. Pilkington Tiles in the UK between 1993-1995.

Joining Somany Ceramics Limited in 1995, he demonstrated exceptional dedication and expertise, steadily ascending through the ranks from a Management Trainee to the esteemed position of President of Domestic Marketing. Subsequently, he assumed the role of Executive Director before taking on the mantle of Managing Director. In his present capacity, Mr. Somany oversees the day-to-day operations of the Company and contributes actively to the strategic domains of product design, sales, and marketing, ensuring their continued growth and success. He also engages in the Company's CSR initiatives. Under his esteemed leadership, Somany Ceramics has achieved a prominent position in the industry, earning prestigious awards and global recognition.

Mr. Somany's exceptional contributions were honored with induction into the Power Brand Hall of Fame as a Corporate Leader of the Ceramics Industry (2011-2012). His dedication, strategic expertise, and exemplary leadership have elevated Somany Ceramics to the forefront of the industry.



### Mr. Salil Singhal Independent Director

Mr. Salil Singhal, the Chairman Emeritus of P.I. Industries Limited and a highly esteemed leader in the Agro Chemical Industry, has been an influential figure in the industry since 1965. In addition to his role at P.I. Industries, he also serves as the Chairman of other esteemed business units within the group, namely Secure Meters Ltd. and Wolkem India Ltd. Throughout his distinguished career, Mr. Singhal has held several key positions of leadership and influence. He served as the Chairman of the Pesticides Association of India, now known as the Crop Care Federation of India, for an impressive 20 years. His exceptional contributions led to his appointment as Chairman Emeritus for life. He also held positions of great responsibility, such as membership in the Executive Committee of FICCI and Chairman of FICCI's Environment Committee for five years. Furthermore, he served as Chairman of the CII Northern Region, representing nine northern Indian states with over 2,200 members, during the year 2008-09. Additionally, he headed CII's National Council for MSMEs for one year and served as Chairman of CII's National Council of Agriculture for three years. Currently, Mr. Singhal is the Chairman of CII's Task Force on Agrochemicals.

Mr. Singhal holds the position of Independent Director on the boards of several esteemed organizations, including Somany Ceramics Ltd, Mahindra World City (Jaipur) Limited, Lake Palace Hotels & Motels Private Ltd., and Indraprastha Medical Corporation Ltd. (Apollo Hospital, Delhi). Furthermore, he is the Chairman Emeritus of Secure Meters Ltd and Wolkem India Ltd.

Mr. Salil Singhal's exceptional industry expertise, leadership acumen, and extensive involvement in various councils and committees make him a respected and influential figure in the field.

Presently he is a member of SCALE (Steering Committee on Advancing Local value – and Exports) appointed by DPIIT and closely working under the leadership of Hon'ble Commerce and Industries Minister, Shri Piyush Goyal for the rapid growth of the identified 24 Champion industry sectors.



### Mr. Rameshwar Singh Thakur Independent Director

Mr. Rameshwar Singh Thakur is a seasoned professional with over 51 years of experience in business planning, product pricing, plant accounts functions, treasury, taxation, and international business development. He holds a BE degree in Mechanical Engineering, an MBA from XLRI, and a Graduate Chartered Institute of Management Accountants (London), reflecting his impressive academic achievements.

What sets Mr. Thakur apart is his remarkable ability to turn around companies as a CEO. With a keen strategic mindset and a proven track record, he has successfully revitalized struggling organizations, propelling them towards success. Drawing upon his vast expertise, Mr. Thakur brings a wealth of knowledge and a fresh perspective to the table. His contributions in the areas of business growth and international expansion have left a lasting impact on the companies he has served. Mr. Thakur continues to inspire with his professionalism, innovation, and unwavering dedication to achieving outstanding results.



**Mr. Ravinder Nath**  
**Independent Director**

Mr. Ravinder Nath is a distinguished legal professional with an illustrious career spanning 51 years. He holds a Bachelor's degree in Commerce (Honours) from Delhi University and a Bachelor's degree in Law from the same esteemed institution. Further expanding his expertise, Mr. Nath obtained a degree in International and Comparative Laws from King's College, London, and a PIL from Harvard.

With his extensive experience and profound insights, Mr. Nath has established himself as a formidable force in the legal field, adept at navigating complex legal landscapes with finesse.



**Mr. Vineet Agarwal**  
**Independent Director**

Mr. Vineet Agarwal is the Managing Director of Transport Corporation of India Ltd. (TCI) one of India's largest logistics companies. He graduated from Carnegie Mellon University and the Owner President Management program from Harvard Business School.

Mr. Vineet is the Past President of ASSOCHAM, a leading chamber of Commerce in India. He is also the founding National President of Young Leaders Council at the All India Management Association. He served as an elected director on Young President Organization's (YPO) International board and on the boards of National Skills Development Corporation (NSDC), National Start up Advisory council and at many other institutions. He is involved in various social initiatives from education & skilling, climate action, sports and health through his family's foundation.





### **Ms. Rumjhum Chatterjee** **Independent Director**

Ms. Rumjhum Chatterjee, a prominent figure in the infrastructure sector, is known for her strategic leadership and deep commitment to human capital management. She co-founded The Infravision Foundation and played a pivotal role in establishing Feedback Infra Group, where she served as Group Managing Director until 2021.

Recognized as one of the 20 Most Talented HR Leaders in India by the World HRD Congress in 2013, Ms. Chatterjee has been a trailblazer in advocating for women's empowerment. She made history as the first woman Chairperson of the CII Northern Regional Council from 2016 to 2017, overseeing operations in nine states.

Her passion for empowering women is evident in her role as Chairperson of the CII Women Exemplar Program from 2015 to 2017 and her continued involvement as a member of the Selection Committee. Ms. Chatterjee has also championed women's causes at the national level, representing industry perspectives to Indian Parliamentarians and engaging in discussions on women's empowerment with Japanese Prime Minister Shinzo Abe during his visit to India in January 2014.

Currently, Ms. Chatterjee chairs CII's Centre for Women's Leadership, showcasing her ongoing dedication to advancing women in the workplace. She brings her wealth of experience to the boards of Somany Ceramics Limited and C&S Electric Limited as an Independent Director. Additionally, she plays a pivotal role in governance as a member of the Governing Body of HelpAge India and its Vice Chairperson.

She also serves as the Chairperson of Feedback Foundation, demonstrating her holistic approach to social impact.

With an educational background in Psychology from Calcutta University, she combines her academic knowledge with her practical experience to drive meaningful change in the infrastructure and social sectors.



### **Mr. Ghanshyam Girdharbhai Trivedi** **Non-Executive Non-Independent Director**

Mr. Ghanshyam Girdharbhai Trivedi is an esteemed professional with over 53 years of experience in the ceramics, glass, and sanitary ware industry. He holds degrees in M.Sc. and LL.B. and is an Associate Member of The Institute of Cost Accountants of India (ICAI). Mr. Trivedi has dedicated 35 years to this industry, showcasing his profound expertise. Currently, he is the member of All India Management Association. He also served as the President of the All-India Pottery Manufacturers' Association and held memberships of the esteemed organizations such as American Ceramic Society and Indian Ceramic Society. His commitment to the industry's growth is further evident through advisory roles, including as a member of the Advisory Committee of Central Glass and Ceramic Research Institute/Ahmedabad and as a Council Member of Indian Ceramic Society. Mr. Trivedi has actively participated in numerous national and international conferences, presenting insightful research papers that benefit the industry. His association with the Company dates to 1987.



### **Mr. Siddharath Bindra** **Independent Director**

Mr. Siddharath Bindra is a seasoned professional in the apparel and retail industry, boasting a career spanning more than 25 years. Armed with a prestigious Master's degree in Commerce from Bombay University, he currently stands at the helm of BIBA Fashion Limited as its Managing Director. With his extensive experience and proven track record, Mr. Bindra brings a wealth of expertise and strategic insights to his role, driving the Company's success in the dynamic world of fashion and retail.



### **Mr. Manit Rastogi** **Independent Director**

Mr. Manit Rastogi is an internationally renowned architect and the Founding Partner of Morphogenesis, one of the largest Architectural Firms in India. A winner of over 150 prestigious awards and an author of over a thousand publications and journals, he is a Fellow of the Indian Institute of Architects, Fellow of the Royal Society of Arts and a Chartered member of the Royal Institute of British Architects.

His firm has been listed among the top 100 Architectural Firms globally for over a decade. He has worked across a diverse canvas ranging from architecture to urban design, landscape, interior design, art & sculpture. His professional portfolio includes several Commercial buildings, Residential Complexes, Smart Cities, significant Institutions, Offices, and Hotels across India, Bhutan, South Africa, Nepal, Bangladesh, UAE, Sri Lanka, and Afghanistan.

He is a leading speaker in sustainable design having lectured at numerous reputed Universities and Conferences worldwide. As a founder member of the GRIHA Council, India's premier green rating system, Mr. Manit also works actively with urban policymakers to spearhead initiatives with an emphasis on environmental sensibility and socio-cultural sustainability.

LEADERSHIP

# Committees and Meetings

## Board

 80%

 9

 5

## Nomination and Remuneration Committee

 75%

 4

 3

## Corporate Social Responsibility Committee

 60%

 5

 4

## Audit Committee

 80%

 4

 5

## Stakeholder's Relationship Committee

 83%

 4

 3

## Risk Management Committee

 87%

 5

 3



Attendance



Members



Meetings

## Anticipating Change

# SECURING FUTURE

Somany Ceramics recognizes the volatile nature of the business environment, where unexpected events can significantly impact economies and businesses. Understanding the importance of sustainable practices, the Company has integrated effective risk management into its core business strategy. By actively identifying potential risks and taking proactive measures, Somany Ceramics aims to mitigate the impact of uncertainties.

The Company has implemented a comprehensive risk management framework to guide its approach. This framework enables Somany to anticipate potential threats, assess their potential impact, and implement suitable measures to minimize risks. This proactive approach makes the Company more resilient and ensures its ability to navigate through challenging times.

## Risk Management Practices

Identify the existing risk

Assess the risk

Appreciate response

Monitor

### Key Risks

### Context

### Mitigation Measures

#### Macro Factors

Given the dynamic nature of the global and Indian economy, Somany Ceramics prioritizes monitoring changes and adapting its strategies accordingly.

- During a period of rising inflation and steady interest rates in 2023-24, Somany Ceramics strategically expanded its dealer network across India to mitigate revenue impact.
- Despite facing anti-dumping duties from the US, the Company maintained cost competitiveness in the global market due to reduced freight costs.

#### Inflation

The Company's operations may be impacted by inflationary pressures that cannot be transferred to consumers.

- To maintain its competitive edge, Somany consistently leverages economies of scale, efficient cost management practices, and streamlined logistics. This strategic approach enables the Company to effectively navigate challenges posed by inflationary pressures that cannot be passed on to consumers.

## Key Risks

## Context

## Mitigation Measures

## Regulations

Somany Ceramics acknowledges that unforeseen and stringent environmental and economic regulations have the potential to impact its operations and profits. Rapid changes in regulatory requirements could pose financial and operational challenges, potentially affecting profitability. Therefore, it is crucial for the company to remain vigilant and closely monitor regulatory developments. By doing so, Somany Ceramics can proactively adjust its operations and strategies to effectively respond to evolving market conditions.

- Somany Ceramics' investments in compliance management and training have played a key role in moderating its carbon footprint. This commitment has earned the Company a reputation as a responsible organization.

## Competition

In the expanding ceramic industry, which comprises both organized and unorganized sectors, it is crucial for Somany Ceramics to solidify its position at the forefront.

- The introduction of GST has led to a narrowing cost difference between organized and unorganized players in the ceramic industry. However, Somany Ceramics is well positioned to maintain and enhance its competitive advantage due to its economies of scale and strong brand recall.

## Technological

Relying on outdated technologies could harm Somany Ceramics' operational efficiency, potentially leading to lower product quality and ultimately impacting profitability.

- The Company has made continuous investments in state-of-the-art equipment to enhance operational efficiency. This has enabled it to offer a wide range of products in various sizes and designs across its plants.

## Fraud

The vulnerability of Somany Ceramics' systems can heighten the risk of fraudulent activities, potentially impacting its business operations.

- Somany Ceramics is dedicated to transparency and accountability through its Whistle Blower Policy. This policy allows individuals, including employees, vendors, and customers, to report any suspected fraudulent activities, errors, or confirmed incidents of fraud or misconduct. The Company has implemented stringent controls, including a centralized payment system, dual authorization, and enhanced financial checks and balances, to prevent malpractices.



## Awards

# Beyond Boundaries

# FORWARD TOGETHER

Awarded Superbrands status for 2023-24 for the Company's VC-Shield Tile for 2023-24. The inclusion of SOMANY's VC Shield Tiles in the Superbrands club endorses the Company's 50-year legacy of exceptional quality and trust. Accredited by The American Ceramic Society, Somany's VC Shield Technology has earned the trust of prestigious clients worldwide.

Honored with the prestigious Brand of the Year Award for Somany Bathware for 2023-24. This remarkable recognition stands as a testament to the Company's commitment to excellence and innovation in the industry. The award reflects the collective efforts of everyone involved, and Somany looks forward to continuing to exceed expectations in the years to come.



# AWARD

A photograph of a modern interior space, likely a lobby or hallway. The walls are covered in large, light-colored marble tiles with dark veining. A large, multi-tiered chandelier with numerous small lights hangs from the ceiling. In the foreground, there is a dark, rectangular wooden table or bench. The floor is also made of marble tiles. The image is partially obscured by a large white circular graphic on the left side.

# **MANAGEMENT DISCUSSION & ANALYSIS**



# Global Economy

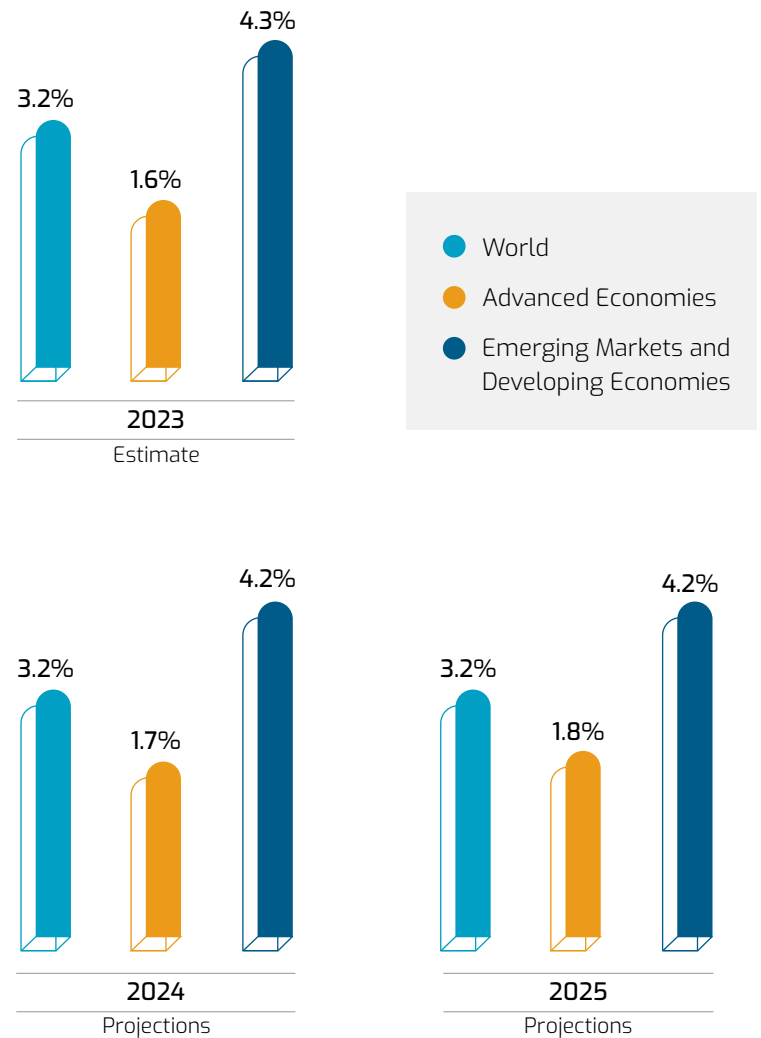
The global economy has depicted resilience, with steady growth and a notable slowdown in inflation, despite facing significant challenges. This resilience has been evident amidst supply-chain disruptions post pandemic, an energy and food crisis due to the Russia-Ukraine war, and a surge in inflation, followed by coordinated tightening of monetary policies.

Global growth, which reached 3.2% in 2023, is expected to remain stable in 2024 and 2025. However, this is below the historical average of 3.8%, attributed to cautious monetary policies, reduced fiscal support, and sluggish productivity growth. On the other hand, global inflation is forecasted to ease, decreasing from an average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. This decline is primarily driven by a more immediate reduction in advanced economies, where inflation is expected to return to pre-pandemic levels sooner compared to emerging market and developing economies.

Advanced economies are anticipated to experience a slight increase in growth, driven mainly by the Euro Area's recovery, with growth rates projected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. In contrast, emerging markets and developing economies are expected to maintain stable growth at 4.2% during 2024 and 2025, albeit with regional variations, including a moderation in Asia offset by growth in the Middle East, Central Asia, and sub-Saharan Africa.

## Global Economic Growth

(in %)



Source: World Economic Outlook – April 2024

The global economic landscape is currently stable, but uncertainties remain. Geopolitical tensions, such as those in Ukraine, Gaza, and between Iran and Israel, pose risks to Middle Eastern energy exports, potentially resulting in elevated crude oil prices. This could, in turn, lead to higher interest rates and lower asset valuations. Disparities in the pace of price declines among major economies could induce currency fluctuations, affecting financial markets. The confluence of elevated interest rates, household indebtedness, and adaptations to fixed-rate mortgages could stress financial stability.

## Performance of Major Economies

### The United States

The United States' economy grew by 2.50% in CY 2023. Economic projections indicate the growth rate to reach 2.70% in CY 2024 and then decline to 1.9% in CY 2025.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

### China

China experienced a growth rate of 5.20% in CY 2023. Economic projections indicate the growth rate to decline, to reach 4.60% in CY 2024 and then decline to 4.10% in CY 2025.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

### United Kingdom

The UK economy experienced a growth rate of 0.1% in CY 2023 and is expected to experience increase in growth rate to reach 0.5% in CY 2024 and 1.5% in CY 2025.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

### Europe

Europe experienced a growth rate of 1.40% in CY 2023. Economic projections indicate an upward trend, with growth rate expected to reach 1.60% in CY 2024 and 2.00% in CY 2025.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

### Germany

The German economy's real GDP in CY 2023 depicted a growth rate of (0.30)% and is projected to experience increase in growth in CY 2024, reflecting a growth rate of 0.2%. However, in CY 2025, the real GDP is expected to undergo an upturn, with a projected increase of 1.3%.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)



# Indian Economy

India's economy is projected to expand by 7.6% in 2023-24, a jump from the 7.0% growth seen in 2022-23. This anticipated growth is expected to be powered by improved performances in key sectors such as mining and quarrying, manufacturing, and selected areas of the services sector. The Indian economy's resilience can be attributed to increased public sector investment, a robust financial sector, and significant growth in non-food credit.

India has experienced several significant developments over the past year that have greatly boosted foreign investor confidence. Due to progressive government reforms and growing investor faith in India's growth narrative, India's Nifty 50 index reached a new peak, expecting to register a 16% growth in 2024-25. As on 28 March, 2024, Sensex and Nifty ended the last day of trade 2023-24 on a bullish note, driven by heavy buying in power, auto and banking stocks amid a positive trend in global markets. Sensex jumped 655.04 points or 0.90% to settle at 73,651.35, while Nifty climbed 203.25 points or 0.92% to end at 22,326.90.

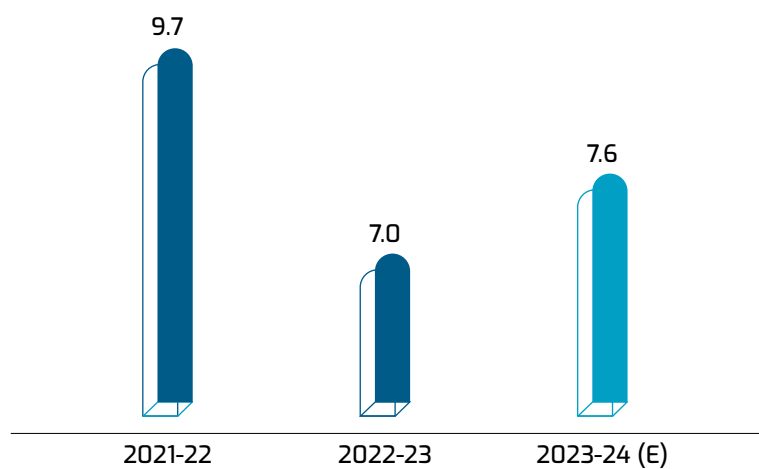
(Source: <https://www.livemint.com/market/stock-market-news/nifty-50-expected-to-deliver-16-earnings-growth-in-2024-25-small-cap-likely-to-outperform-report-11710950900083.html>  
<https://www.thehindubusinessline.com/markets/stock-market-highlights-28-march-2024/article67997974.ece>)

Foreign investment in Indian Government bonds saw a substantial increase in the last quarter of 2023, reflecting heightened global confidence in India's economic prospects. As of 5 April, 2024, India's foreign exchange reserves hit a record high of USD 648.56 billion, surging by USD 2.98 billion. India is entering a crucial phase of the S-curve, marked by a significant acceleration in urbanization, industrialization, household incomes, and energy consumption.

## Growth of the Indian Economy

### Real GDP Growth

(%)



E: Estimated

(Source: <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2010223#:~:text=The%20growth%20rate%20of%20GDP,growth%20rate%20of%209.1%20percent>)

The Government's economic policy agenda has focused on revitalizing India's growth potential. This includes revitalizing the financial sector, streamlining business conditions to stimulate economic activity, and significantly improving both physical and digital infrastructure to enhance connectivity and boost the competitiveness of the manufacturing sector. In line with this vision, the Government has implemented a series of economic reforms to promote a business-friendly environment, improve quality of life, and strengthen governance systems and processes.

(Source: <https://economictimes.indiatimes.com/news/economy/indicators/indias-forex-reserves-up-by-2-98-bn-to-hit-fresh-peak-of-648-56-bn/articleshow/109247363.cms?from=mdr>)

Simultaneously, the unemployment rate for males in India reached a historic low of 3.2% in 2023, down from 6.1% in 2018, indicating significant improvements in the labor market.

(Source: <https://www.drishtiiias.com/daily-updates/daily-news-analysis/unemployment-in-india-3>)

Sectors like financial services, real estate, and professional services are projected to grow by 9.7% in 2023-24, from 18.8% in 2022-23. The manufacturing sector's gross value-added growth accelerated to 6.7% in 2023-24 from 4.2% in 2022-23. Construction gross value-added growth is expected to remain robust at 10.1% in 2023-24, following an 18.7% increase in 2022-23. The largest component of services (trade, hotels, transport, and communication) is likely to expand by 6.3% due to a higher base.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2010223>)

India's Consumer Price Index (CPI) inflation eased to 4.85% in March 2024 from 5.09% in February 2024. The Government aims to moderate CPI inflation and align it with a specified target consistently for the economy's best interest.

(Source: <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2017771>)

India has made substantial progress in enhancing its infrastructure in recent years. The Government allocated ₹ 23 Lakh Crores for infrastructure spending over the three-year period of 2021-22 to 2023-24. Infrastructure development is evident as the capital spending to GDP ratio nearly doubled from 1.6% of GDP in 2018-19 to 3.2% in 2023-24.

(Source: [https://economictimes.indiatimes.com/news/economy/infrastructure/budget-2024-need-for-infra-push-2-0-to-make-indias-roads-railways-one-of-worlds-best/articleshow/107282175.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/infrastructure/budget-2024-need-for-infra-push-2-0-to-make-indias-roads-railways-one-of-worlds-best/articleshow/107282175.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst))

[http://timesofindia.indiatimes.com/articleshow/109248603.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/109248603.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

<https://www.indiafoline.com/blog/wpi-inflation-scales-3-month-high-of-0-53-in-march-2024>)

## Interim Union Budget 2024-25

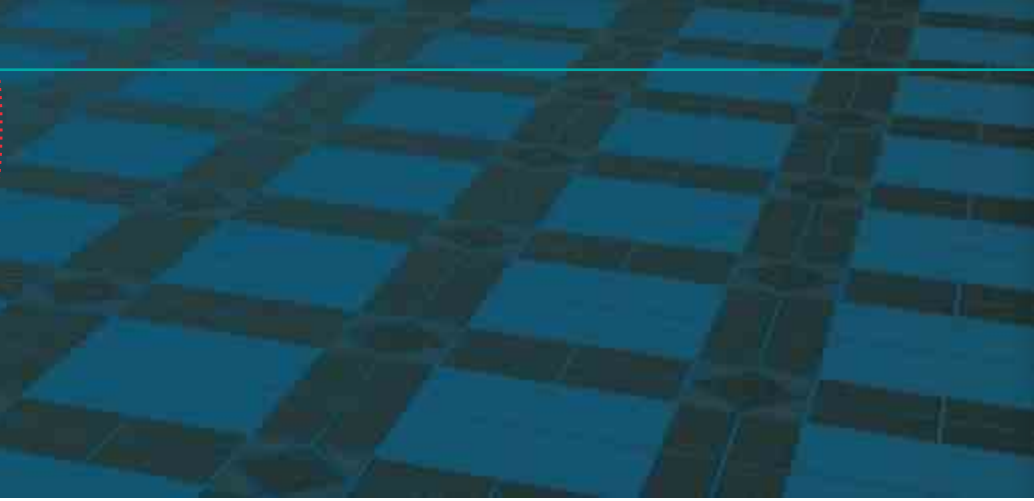
With the guiding principle of 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' and the nationwide approach of 'Sabka Prayas,' the Interim Union Budget 2024-25 concentrates on the upliftment of four major segments: the 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth), and 'Annadata' (Farmer). The Indian Government increased the infrastructure outlay by 11.11% from ₹ 10 Lakh Crores to ₹ 11.11 Lakh Crores, contributing 3.4% of the GDP and aiming to contain the fiscal deficit within the 4.5% threshold by 2025-26. The Government is also planning to revamp various schemes such as Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) and Smart Cities Mission, which are expected to be reintroduced.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2001130>)

A new scheme is proposed to be launched to strengthen deep-tech technologies for defense purposes, accelerating 'atmanirbharta' (self-reliance). In 2014, the Indian Government faced the critical task of reviving the economy and improving governance. To achieve this, their focus was on attracting investments, garnering support for necessary reforms, and instilling hope among the people. Through a strong belief in 'nation-first' principles, the Government successfully tackled these challenges and is further focussing on enhancing the robustness of the Indian economy.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2001130>)





## Global Ceramic Tiles Industry

The global ceramic tiles market was valued at USD 186.70 billion in 2023 and is anticipated to register a CAGR of 7.4% from 2024 to 2030. The market growth is primarily fuelled by the increasing demand for aesthetically pleasing, durable, and high-quality wall and floor covering solutions, driven by evolving consumer preferences in floor design. Additionally, the expansion of offices and workspaces, improvement in consumer lifestyles, and rapid urbanization have further bolstered market growth. In CY 2023, the Asia Pacific region held the largest market share, accounting for 54.1%, and is expected to maintain its dominance throughout the forecast period. Within the market, the porcelain tiles segment led with a share of 53.2% in 2023.

(Source: <https://www.grandviewresearch.com/industry-analysis/ceramic-tiles-market>)

The ceramic tiles market is experiencing significant expansion, driven by several factors. Changing consumer preferences, coupled with a growing demand for a variety of designs, sizes, and styles, as well as an increase in renovation activities, have all contributed to this growth. Moreover, the rising utilization of ceramic tiles in public construction projects, including airports, stations and schools, alongside their popularity in residential settings, further propels market growth.

(Source: <https://www.thebusinessresearchcompany.com/report/ceramic-tiles-global-market-report>)

## Anti-Dumping Duty on Indian Ceramic Tiles

The Tile Council of North America (TCNA) announced that nine U.S. ceramic tile manufacturers, forming the Coalition for Fair Trade in Ceramic Tile and representing 90% of U.S. tile production, have petitioned the Federal Government for anti-dumping and countervailing duties on ceramic tile imports from India. These petitions seek substantial tariffs to address the harm caused by unfairly low-priced imports, which have injured domestic manufacturers and flooded the market with uncertified porcelain tiles.

In 2023, India experienced significant growth in ceramic tile exports to the US, with a 42.6% increase compared to 2022. India became the major exporting country to the US in terms of volume, holding a 20.3% share of total US tile imports. This growth was notable as India was one of the few countries to register a positive percentage variation in its sales to the US during that period. Over the last 10 years, sales of tiles from India have shown remarkable growth, increasing from 3,44,000 square feet (32,000 m<sup>2</sup>) in 2013 to nearly 405 million square feet (37.6 million m<sup>2</sup>) by the end of 2023. This substantial increase highlights India's growing presence and competitiveness in the US tile market.

The anti-dumping petition from the U.S. ceramic tile manufacturers seeks tariffs ranging from 408% to 828%. Additionally, the countervailing duty petition aims to address the impact of various subsidies provided by the Indian Government, seeking the imposition of additional tariffs.

(Source: <https://ceramicworldweb.com/en/economics-and-markets/us-ceramic-tile-manufacturers-petition-anti-dumping-and-countervailing-duties>)

## Trends in Global Tile Sector



### Large Format Tiles

Large-format tiles are gaining popularity in interior design due to their striking visual impact. By minimizing tile joints, particularly with light colours, they create a sense of expansiveness, lending a sleek and sophisticated ambiance. Furthermore, these tiles offer versatility in styles and finishes, ranging from natural stone aesthetics to vibrant colours and geometric patterns, enabling bold and captivating design statements across various spaces.



### Digital Transformation in Retail

The digital revolution is reshaping the ceramic tiles shopping experience for consumers. Virtual showrooms, augmented reality (AR) apps, and online platforms are providing customers with tools to visualize how various tiles will appear in their homes. This digital transformation is not only improving the overall shopping process but also empowering consumers to make more educated decisions.



### Germ-free tiles

Consumers' focus on health and hygiene has surged, significantly influencing their preferences. In response to this heightened awareness, germ-resistant tiles have been introduced to the market. These tiles are treated with an antimicrobial solution, inhibiting the growth of bacteria, fungi, and other microorganisms.



### Increasing Innovation

The ceramic tiles market is undergoing a wave of innovation, marked by the introduction of advanced technologies and creative designs by manufacturers. Digital printing methods, in particular, are transforming the appearance of tiles, enabling intricate patterns, lifelike textures, and vivid colors that were previously unattainable. This shift is redefining how consumers use and appreciate ceramic tiles in homes and businesses alike.



### 'Green' Construction

With the rise of environmental awareness, the ceramic tiles market is undergoing a transition towards sustainable practices. Manufacturers are embracing eco-friendly production methods, incorporating recycled materials, and exploring energy efficient technologies. This focus on sustainability not only supports global environmental objectives but also resonates with consumers who value environmentally conscious options in their home decor.



# Indian Ceramic Tiles Industry

The ceramic tiles market in India was valued at ₹ 59,500 Crores in CY 2023 and is projected to grow to ₹ 70,700 Crores by the end of CY 2025, reflecting a robust CAGR of 13.6% from 2023 to 2025. Exports account for 30% of this market, standing at approximately ₹ 17,900 crore. This export figure is anticipated to nearly double, reaching close to ₹ 30,400 crore by the end of 2025.

(Source: <https://www.livemint.com/market/stock-market-news/stock-picks-in-tiles-sector-kajaria-somany-as-nirmal-bang-expects-12-13-growth-11696564754416.html>)

In the last decade, India's ceramic tile industry has garnered global recognition due to its remarkable growth in export activity. This expansion has been consistent across all continents, highlighting the industry's increasing global presence. In 2013, India exported 55 million square meters of tiles, ranking as the ninth largest exporter globally. However, by 2023, this figure surged to 590 million square meters. More than half of this total was shipped outside Asia, propelling India to the position of the second largest exporter of ceramic tiles worldwide.

(Source: <https://ceramicworldweb.com/index.php/en/economics-and-markets/indian-ceramic-tile-exports-2023>)

The urban population in India has increased nearly fourfold from 1970 to 2018, reaching 460 million. As the second-largest urban community globally, India is expected to add another 416 million people to its cities by 2050, with an urban share of the population projected to reach 50%. This rapid urbanization, driven by migration, necessitates city expansion. The Indian Government is actively involved in this endeavour, focusing on improving road networks, urban transport, water supply, housing, power infrastructure, smart

cities, and urban management. These developments significantly impact the residential and commercial construction markets, consequently driving growth in the Indian ceramic tiles market in the foreseeable future.

(Source: [https://www.niti.gov.in/sites/default/files/2022-05/Mod\\_CEOG\\_Executive\\_Summary\\_18052022.pdf](https://www.niti.gov.in/sites/default/files/2022-05/Mod_CEOG_Executive_Summary_18052022.pdf))

The ceramic tiles market in India is likely to be on a steady rise, driven by the resurgence of the construction sector following a prolonged downturn. The construction industry plays a pivotal role in driving the expansion of the ceramic tiles market. Furthermore, the Government of India (GOI) has launched several programs and investments aimed at promoting infrastructure development, thereby fuelling market growth. Initiatives like the Pradhan Mantri Awas Yojana (PMAY) and the Smart Cities Mission are expected to substantially increase the demand for ceramic tiles in India.

The Indian ceramic industry is on track to become the world's largest ceramic producer in the coming years. It has already established itself as a significant global player in the ceramic tile market, ranking second only to China in terms of manufacturing, consumption, and export. This growth is being propelled by India's increasing urbanization and construction activity, which has led to a surge in demand for various types of tiles, especially glazed vitrified tiles. These tiles are favored by consumers for their durability and visually appealing appearance. The development of glazed vitrified and full-body vitrified tiles has provided a significant boost to the industry, with vitrified tiles often being hailed as the 'tiles of the future'.

(Source: <https://www.thetilesfindia.com/>)



# Global Sanitaryware and Bath Fittings Market

The global sanitaryware market is estimated to be valued at USD 53.59 billion in 2024, with projections indicating growth to USD 74.80 billion by 2029, reflecting a CAGR of 6.89% during the forecast period (2024-2029). North America dominated the sanitary ware market share in 2023, while the Asia-Pacific region is expected to witness the fastest growth during 2024-2029.

The global sanitaryware and bath fittings market is experiencing robust growth, driven by several factors. These include increasing infrastructure development, the rising popularity of smart homes, and evolving trends in residential interior design. The market is also expected to expand with the introduction of smart bathroom fittings offering unique features like water flow control, adjustable lighting, and integrated music systems. Growth is further fueled by related sectors such as hospitality, where infrastructure development is boosting demand for bathroom fittings. Additionally, the use of innovative materials like plastics, metals, and glass in sanitaryware production is contributing to market expansion. According to the World Health Organization (WHO), poor sanitary hygiene contributes to a significant number of deaths each year, particularly due to diarrhoea-related illnesses. Consequently, there is a growing awareness of the importance of sanitary and personal hygiene for maintaining good health, driving demand for bathroom accessories.

The global market for sanitaryware and bath fittings is experiencing significant growth, with the Asia Pacific (APAC) region poised for substantial expansion in bathroom accessories. This growth is driven by urbanization, changing demographics, and increased investments by millennials in home improvement products and modern interior designs across developed and developing economies. The region's strong economic growth, along with government initiatives and advancements in manufacturing, is expected to further drive market expansion.

*(Source: <https://www.mordorintelligence.com/industry-reports/sanitaryware-market>)*



# Indian Sanitaryware and Bath Fittings Market

The Indian sanitaryware industry is currently facing a soft demand environment, marked by subdued market activity and cautious consumer spending. Several factors contribute to this scenario, including economic uncertainties and inflationary pressures. While the long-term growth prospects remain positive due to urbanization and rising standards of living, the immediate market dynamics are challenging. Companies within the sector are focusing on strategic initiatives such as cost optimization, innovation in product design, and expanding distribution networks to navigate this period of tepid demand. Despite the short-term hurdles, the industry continues to invest in sustainable practices and advanced technologies, anticipating a resurgence in demand as economic conditions stabilize and consumer confidence returns.

India was the third largest country in global ceramic sanitary ware market in 2023. This market represents a dynamic and rapidly evolving sector within India's construction and home improvement industry. Government initiatives like the "Swachh Bharat Abhiyan" (Clean India Campaign) have heightened awareness about sanitation and hygiene, driving increased adoption of modern bathroom fixtures and accessories.

*(Source: Global Ceramic Sanitary Ware Market:Country Comparisons, The Business Research Company)*

The India faucets Market size is estimated at USD 2.19 billion in 2024, and is expected to reach USD 3.13 billion by 2029, exhibiting a CAGR of 7.40% during the forecast period (2024-2029). Over recent years, the Indian bath fittings market has experienced steady growth, aligning with the expansion of the housing market and related industry verticals, including bathroom fittings, poised for strong growth in the foreseeable future.

*(Source: <https://www.mordorintelligence.com/industry-reports/india-faucet-market/market-size>)*

India is experiencing a significant shift towards improved living standards and swift urban development, leading to a notable surge in demand for high-quality bathroom fixtures. This trend is particularly pronounced in urban areas, where the construction of aesthetically pleasing and technologically advanced residential buildings is on the rise. As a result, consumers are increasingly seeking premium household amenities, including innovative products like sensor taps, smart showers/mixers, and automatic soap dispensers, to elevate the sophistication of their homes.

# Indian Real Estate Market

The Indian real estate sector has been a crucial contributor to the country's economic advancement. It comprises various segments such as residential and commercial properties, retail and industrial spaces, and infrastructure development. Its substantial contribution to India's GDP has positioned it as a key driver of the nation's economic progress.

In 2023, the industry experienced a surge in sales of luxury and ultra-luxury homes, as well as plotted developments, driving overall sales in the top markets to over 2.3 Lakhs units. This trend is expected to continue in 2024, with sales forecasted to increase to 3 Lakhs units. Additionally, the commercial real estate sector is set for a significant rebound, with a particular emphasis on office spaces. As economic activities resume and businesses expand, the demand for office spaces is expected to grow, providing a boost to the commercial real estate segment.

*(Source: <https://realty.economicstimes.indiatimes.com/blog/indian-real-estate-the-transformative-journey-in-2024-and-ahead/106356820>)*

The Indian real estate industry is undergoing significant changes, driven by new entrants, technological advancements, and regulatory shifts. This sector includes a wide array of players, from small developers to large corporations, making it one of the world's fastest-growing real estate markets. As economic activities resume and employees return to offices, there is a growing demand for office spaces. The supportive measures outlined in the Central Government's budget are expected to further stimulate the sector's growth.

Projections indicate that by 2040, the real estate market in India will soar to ₹ 65,000 Crores (USD 9.30 billion), a substantial increase from ₹ 12,000 Crores (USD 1.72 billion) in 2019. Moreover, the real estate sector's market size is anticipated to hit USD 1 trillion by 2030, up from USD 200 billion in 2021, contributing significantly with 13% to the country's GDP by 2025. The residential sector, benefitting from increased supply, is poised for long-term growth. Concurrently, the commercial sector is also expected to flourish. Drivers of this growth include the rise of nuclear families, rapid urbanization, and increasing household income. These factors are expected to fuel growth across all real estate sectors, including residential, commercial, and retail.

*(Source: <https://realestateblog.co.in/future-of-indian-real-estate/#:~:text=The%20Real%20Estate%20Market%20Size%20in%20India,-Let's%20begin%20by&text=By%202040%3A%20the%20real%20estate,the%20nation's%20GDP%20by%202025.>)*

*<https://www.icidirect.com/research/equity/finace/role-of-the-realty-sector-in-the-gdp-of-india#:~:text=By%202040%2C%20the%20real%20estate,the%20country's%20GDP%20by%202025.>*

# Growth Drivers for Tile and Bath Fittings



## Residential Sector

### Economical Housing

The increasing demand for affordable housing in India is projected to persist, driven by factors such as declining interest rates, widespread economic progress, and employment opportunities. The Pradhan Mantri Awas Yojana, a flagship government initiative, plays a pivotal role in promoting affordable housing, with the ambitious goal of ensuring housing for all. Consequently, there is a burgeoning demand for tile and bath fitting products in response to this trend.

(Source: <https://www.livemint.com/money/personal-finance/real-estate-outlook-2024-is-affordable-housing-finance-ready-for-takeoff-11704170698497.html>)

### Per Capita Tiles Consumption

India presently maintains one of the lowest rates of per capita ceramic tile consumption, at merely 0.6 square meters, a stark deviation from the global average of 1.4 square meters. This disparity in per capita usage underscores substantial prospects for industry expansion. Enhancements in consumer living standards, along with governmental endeavours such as the Smart City and Pradhan Mantri Awas Yojana initiatives, are anticipated to accelerate industry growth.

(Source: <https://www.livemint.com/market/stock-market-news/stock-picks-in-tiles-sector-kajaria-somany-as-nirmal-bang-expects-12-13-growth-11696564754416.html>)



## Commercial Sector

### Growth in Real Estate Sector

The Indian commercial real estate market is projected to be valued at USD 40.71 billion in 2024 and is anticipated to reach USD 106.05 billion by 2029, with a CAGR of 21.10% during the forecast period from 2024 to 2029. India's residential real estate market is forecasted to hit USD 35.47 trillion by 2024, with an anticipated annual growth rate of 2.97% from 2024 to 2028.

(Source: <https://marketofindia.co.in/blog/commercial-real-estate-growth-rates/#:~:text=Analyzing%20Current%20Trends%20India's%20Commercial,Indian%20commercial%20real%20estate%20sector.>)

### Expansion of the Retail Industry

The Indian retail market is projected to achieve USD 1.1 trillion by 2027 and USD 2 trillion by 2032. Between April 2000 and September 2023, the retail trading sector in India attracted USD 4.56 billion in Foreign Direct Investments (FDIs). Accounting for over 10% of the country's GDP and employing over 35 million individuals, the retail sector contributes significantly to the economy, with expectations to generate 25 million new jobs by 2030.

(Source: <https://www.ibef.org/industry/retail-india>)

### Expansion of the Hospitality Sector

The hospitality industry is expected to clock 11-13% revenue growth in 2024-25 on account of steady domestic demand and a rise in foreign travellers. This revenue growth will follow a likely 15-17% growth in 2023-24, backed by steady domestic demand and ramp-up in foreign travellers. The strong demand dynamics along with modest new supply will keep the operating performance of the industry healthy over the near term.

(Source: <https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/hospitality-industry-expects-11-13-revenue-growth-in-fy25-report/articleshow/107823095.cms?from=mdr>)



## Financials

### Increasing Levels of Income

Real GDP at constant (2011-12) prices for 2023-24 has been projected to reach ₹ 171.79 Lakh Crores, compared to the provisional estimate of ₹ 160.06 Lakh Crores for 2022-23. This growth is anticipated to spur investment in the housing sector, leading to an increased demand for tiles and bath fittings as individuals aim to improve their living standards.

(Source: <https://pib.gov.in/PressReleasframePage.aspx?PRID=1993550#:~:text=Real%20GDP%20or%20GDP%20at,on%2031st%20May%2C%202023.>)

### Increased Home Ownership

In an effort to encourage home ownership and improve access to home loans, the RBI has raised the Loan to Value (LTV) Ratio to 90% for home loans upto ₹ 30 lakhs, up from the previous limit of ₹ 20 Lakhs. Conversely, for loans exceeding ₹ 75 lakhs, the LTV ratio is set at 75%. These initiatives, along with affordable housing choices, favourable tax benefits, and rising household incomes, are expected to fuel growth in the tile market.

(Source: <https://www.webtel.in/image/RBI%20allows%2090.pdf>)



## Demographical Trends

### Population Growth

India is expected to surpass the 1.5 billion population mark by 2029. Projections indicate a peak in population in 2064 with 1.697 billion people, gradually declining to 1.53 billion by 2100. This surge in population will drive demand for both residential and commercial properties, leading to growth in the real estate sector. Consequently, this growth will also boost the tiles and bath fittings industry.

(Source: [https://statisticstimes.com/demographics/country/india-population.php#google\\_vignette](https://statisticstimes.com/demographics/country/india-population.php#google_vignette))

### Growing Millennials

Millennials are expected to comprise 50% of India's population by 2030. On an average, Indian millennials spend about 17 hours online weekly with 11% of time spent on banking including transactions. India's young population, fuelled by their optimistic and ambitious mindset, plays a pivotal role in driving growth in the real estate industry. This contributes to an increase in demand for real estate properties and materials utilized in home furnishings.

(Source: <https://bfsi.economictimes.indiatimes.com/news/fintech/millennials-at-forefront-of-online-finance-products-contribute-44-of-total-lending-report/97308820>)

### Urbanization

India's urban population currently stands at 461 million, growing at a rate of 2.3% annually. By 2031, it is projected that 75% of India's national income will originate from cities. This upward trend in urbanization is expected to drive increased demand for tiles and related products.

(Source: <https://www.urbanet.info/urbanisation-in-india-infographics/>)



## Lifestyle Trends

### Rising Popularity

Large format ceramic tiles are gaining popularity for their contemporary, minimalist look, durability, and low maintenance requirements. With fewer grout lines, cleaning is a breeze. Additionally, their versatility allows for both indoor and outdoor use, maximizing their utility.

### Tailored Fittings

As people's income and aspirations rise, there is a greater inclination towards high-end products, despite prices remaining relatively stable. This trend is evident in the growing demand for personalized ceramic items such as artisanal tiles.

### Water Stewardship

Heightened awareness of the importance of sustainable water usage has driven a notable surge in consumer demand for water-efficient products. Consequently, numerous companies have introduced eco-friendly sanitaryware and bath fittings to cater to the needs of both individuals and organizations. This growing emphasis on water conservation has spurred growth of ceramic tiles, prompting the development of innovative and hygienic products that not only satisfy customer demands but also foster sustainable lifestyles.

### Appearance

Aligned with the wellness design movement, ceramic tile designs are undergoing a transformation towards embracing the natural aesthetic of wood. This shift seeks to evoke feelings of tranquility and a connection to nature. Renowned for their sustainability and adaptability, ceramic tiles provide an outstanding choice for mimicking the appearance of natural stones. The integration of these nature-inspired designs resonates with the current trend towards wellness design, a trend that has seen notable expansion since the pandemic's onset.



## Government Initiatives

### SWAHIM Fund

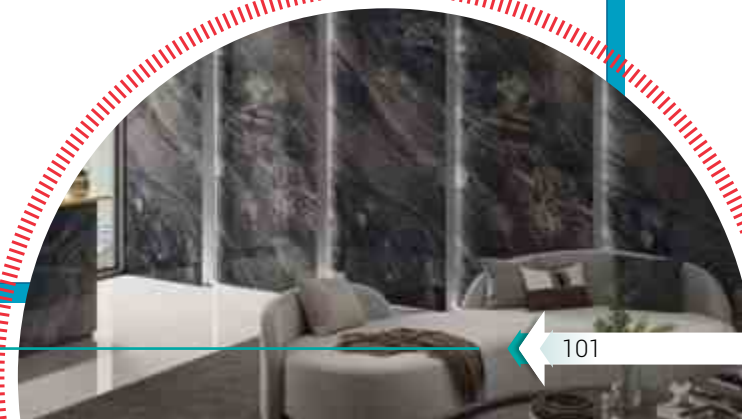
SWAHIM Fund aims to provide financing to stalled mid-income and affordable housing projects in India. As of March 2023, SWAMIH has provided final approval to about 130 projects with sanctions worth over ₹ 12,000 Crores. In three years since inception in 2019, the Fund has already completed 20,557 homes and aims to complete over 81,000 homes in the next three years across 30 tier 1 and 2 cities.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1904147>)

### PMAY-U

The Pradhan Mantri Awas Yojana Urban (PMAY-U) has made significant strides, sanctioning a total of 1.20 Crore houses and completing over 72.56 Lakh houses as of March 2023. This progress has been supported by central assistance amounting to ₹ 1.42 Lakh Crores. To achieve its goal of constructing over 2.95 Crore durable houses by March 31, 2024, the Government has extended the scheme's duration. This extension reflects the government's commitment to providing affordable housing for all, a key pillar of its development agenda.

(Source: <https://www.moneycontrol.com/news/business/real-estate/72-56-lakh-houses-completed-or-delivered-under-pmay-u-mos-pankaj-chaudhary-tells-ls-10321241.html>)





# Prospects in Tile and Bathware Market

## Population Growth

1.44 billion

Estimated Population of India in 2024

1.69 billion

Estimated Population of India in 2064

(Source: [https://statisticstimes.com/demographics/country/india-population.php#google\\_vignette](https://statisticstimes.com/demographics/country/india-population.php#google_vignette))

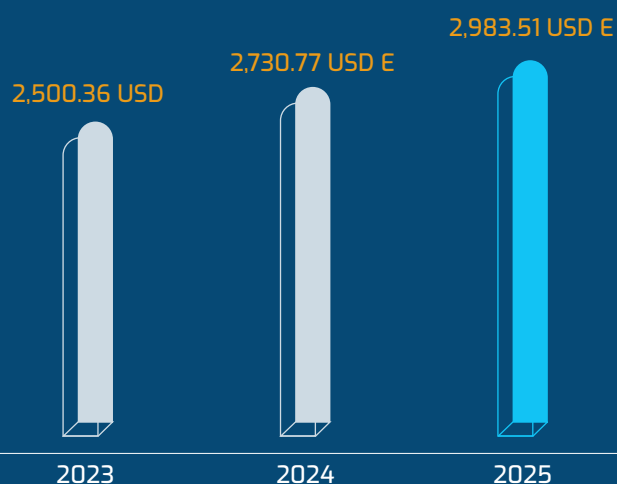
## Property Acquisition Age

30-35

Average age of home buyers in 2023-24

(Source: <https://www.thehindubusinessline.com/news/real-estate/luxury-homes-expected-to-find-fancy-with-younger-buyers-in-2024/article67674130.ece>)

## Per Capita Income



GDP per capita

E: Estimated

(Source: <https://www.statista.com/statistics/263776/gross-domestic-product-gdp-per-capita-in-india/>)



## Urbanization

57%

Of the Global Population was Urban in 2023

(Source: <https://www.statista.com/statistics/270860/urbanization-by-continent/>)

36%

Of the Indian Population was Urban in 2023

(Source: <https://knoema.com/atlas/India/Urban-population#:~:text=In%202023%2C%20urban%20population%20for,decreased%20to%201.37%25%20in%202023.>)

68%

Of the Global Population that will be Urban by 2050

E: Estimated  
(Source: [https://www.who.int/health-topics/urban-health#tab=tab\\_](https://www.who.int/health-topics/urban-health#tab=tab_))

## Millennial Advantage

440 million

Millennial Population in India, 2023

34%

of the Indian Comprises of Millennials

(Source: <https://www.livemint.com/opinion/first-person/home-smart-home-millennials-drive-india-s-real-estate-market-11690521259637.html#:~:text=Reports%20say%20that%20this%20demographic,or%20about%20440%20million%20people.>)

## Opportunities

The upcoming year holds abundant opportunities for the tiles and bathware market, benefiting both the Company and the industry as a whole. One significant factor driving these prospects is the reduction in supply chain disruptions, leading to lower freight costs and enhanced profitability. Additionally, the decline in natural gas prices has contributed to reduced manufacturing expenses, bolstering the competitiveness of market products. The Government's emphasis on infrastructure development, evidenced by increased capital expenditure, will encourage private players to boost their own investments. Moreover, growing awareness of sustainability and eco-friendly materials is expected to drive demand for such building products, offering extensive opportunities for growth. Furthermore, the emergence of new technologies like 3D printing may pave the way for innovative products and more efficient manufacturing processes. Moreover, ongoing urbanization in India will continue to spur demand for residential and commercial construction, consequently increasing the need for building materials. When combined with macroeconomic factors, these elements present significant development potential for India's building material industry in 2024-25.

## Threats

The building material sector in India, especially the ceramic industry and bathware sector, faces various challenges alongside numerous opportunities. One major challenge is competition from the unorganized sector, which threatens organized players. Additionally, the sector deals with unstable input costs that can harm profitability. Macroeconomic uncertainties like currency fluctuations also impact the sector. Environmental regulations and evolving consumer preferences are further challenges. Consumers increasingly favor eco-friendly building materials, potentially shifting demand from traditional materials. To remain resilient, the sector must innovate, seek alternative fuel sources, and diversify revenue streams. It is crucial to maintain flexibility and adaptability to navigate changing economic conditions. The Company must be agile and proactive in addressing present and future challenges.

## Company Overview

Somany Ceramics Limited, a renowned manufacturer of ceramic tiles, sanitaryware, and bath fittings, has established itself as a globally recognized company. It specializes in offering a wide array of products catering to both residential and commercial markets, positioning itself as a premium brand known for its innovative and high-quality solutions. The Company's product range includes ceramic and vitrified tiles, sanitaryware and bath fittings, available in various textures, shapes, and sizes, catering to customers' diverse needs. The Company has taken a major leap forward launching Somany Max Coverstone Collection, which combines cutting-edge technology, diverse designs, and a commitment to sustainability, thereby redefining spaces and offering an immersive experience in dimensions.

### Ceramic Tiles

3

Manufacturing  
Facilities

~30 msm p.a.

Manufacturing  
Capacity

### Polished Vitrified Tiles

3

Manufacturing  
Facilities

~11 msm p.a.

Manufacturing  
Capacity

### Glazed Vitrified Tiles

4

Manufacturing  
Facilities

~21 msm p.a.

Manufacturing  
Capacity

### Bathware (Comprises Bath Fittings and Sanitaryware)

**Morbi (Gujarat)** Sanitaryware Manufacturing Facility

0.78 million pieces p.a.

**Derabassi (Punjab)** Bath Fittings Manufacturing Facility

1.30 million pieces p.a.

# Standalone Financial Overview

In 2023-24, the Company's revenues from operations experienced a growth of 3.8%, amounting to ₹ 2,53,448 Lakhs, compared to ₹ 2,44,270 Lakhs in the year 2022-23. Other income of the Company, which was ₹ 2,812 Lakhs, contributed 1.1% to the total revenues, indicating the Company's focus on its core business operations.

The Company's total expenses increased by 3.1% from ₹ 2,34,750 Lakhs in 2022-23 to ₹ 2,41,976 Lakhs in 2023-24, which was aligned with the Company's growth. Material costs (including purchases of traded goods) which constituted 63.9% of the Company's revenues, increased by 0.6% from ₹ 1,61,101 Lakhs in 2022-23 to ₹ 1,62,043 Lakhs in 2023-24.

The Company's employees' expenses, accounting for 9.6% of the revenues, increased by 11.6% from ₹ 21,713 Lakhs in 2022-23 to ₹ 24,239 Lakhs in 2023-24. Additionally, the Company's power and fuel costs decreased by 24.6% from ₹ 31,984 Lakhs in the 2022-23 to ₹ 24,128 Lakhs in 2023-24.

## Analysis of the Balance Sheet

### Sources of Funds

As of year, ending on 31st March 2024, the Company's capital employed decreased from ₹ 98,176 Lakhs in 2022-23 to ₹ 76,230 Lakhs in 2023-24. Additionally, the Company's net worth decreased from ₹ 78,321 Lakhs to ₹ 72,317 Lakhs in the same period, due to buy back of equity shares. The Company had 4,10,03,620 equity shares of ₹ 2/- each at the end of fiscal year under review.

Furthermore, the Company's long-term debt decreased by 49.6% to ₹ 403 Lakhs on 31 March, 2024. The long-term debt-equity ratio reached 0.01 in 2023-24. Additionally, the Company's finance cost reduced by 1.3%, from ₹ 787 Lakhs to ₹ 777 Lakhs in 2023-24.

### Applications of Funds

The Company's gross block (including CWIP) increased by 3.1% from ₹ 67,074 Lakhs as of 31 March, 2023, to ₹ 69,153 Lakhs as of 31 March, 2024, due to investments in production capabilities. Additionally, the depreciation and amortization increased by 7.0% from ₹ 4,357 Lakhs in the year 2022-23 to ₹ 4,663 Lakhs in 2023-24.

## Investments

The Company's non-current investments increased from ₹ 13,160 Lakhs on 31 March, 2023 to ₹ 30,716 Lakhs on 31 March, 2024 primarily because of investment in subsidiaries

## Working Capital Management

As of 31 March, 2024, the Company's current assets reduced by 10.8% to ₹ 60,573 Lakhs from ₹ 67,881 Lakhs in the previous year. Further, the inventory levels of the Company, which include raw materials, work-in-progress, and finished goods, decreased by 13.3% from ₹ 22,125 Lakhs to ₹ 19,177 Lakhs in 2023-24. The inventory turnover cycle decreased to 28 days in 2023-24 from 33 days in 2022-23. However, the Company's debtors' turnover cycle increased from 39 days to 45 days, with a total of ₹ 31,056 Lakhs in 2023-24 compared to ₹ 26,184 Lakhs in 2022-23.

However, the loans and advances made by the Company decreased by 71.9% from ₹ 480 Lakhs as of 31 March, 2023 to ₹ 135 Lakhs as of 31 March, 2024.

## Margins

The Company's EBITDA margin improved by 66 basis points, from 6.0% in 2022-23 to 6.7% in 2023-24. Similarly, the net profit margin also by 40 basis points, from 3.7% in 2022-23 to 4.1% in 2023-24.

## Key Numbers

Particulars	2023-24	2022-23
Debtors' Cycle (days)	45	39
Inventory Cycle (days)	28	33
Interest Coverage Ratio (x)	19.38	16.61
Current Ratio (x)	1.01	1.19
EBITDA/Turnover (%)	6.7	6.0
Debt-Equity Ratio (x)	0.02	0.22
Net Profit Margin (%)	4.1	3.7
Return on Net Worth (%)	13.8	12.1
Book Value Per Share (₹)	176.37	184.40
Earnings Per Share (₹)	24.64	21.21

# Consolidated Financial Overview

In 2023-24, the Company's revenues from operations experienced a growth of 4.6%, amounting to ₹ 2,59,135 Lakhs, compared to ₹ 2,47,851 Lakhs in the year 2022-23. Other income of the Company, which was ₹ 1,061 Lakhs, contributed 0.4% to the total revenues, indicating the Company's focus on its core business operations.

The Company's total expenses increased by 2.5% from ₹ 2,39,802 Lakhs in 2022-23 to ₹ 2,45,711 Lakhs in 2023-24, which was aligned with the Company's growth. Material costs (including purchases of traded goods) which constituted 44.1% of the Company's revenues, decreased by 3.2% from ₹ 1,18,012 Lakhs in 2022-23 to ₹ 1,14,185 Lakhs in 2023-24. The Company's employees' expenses, accounting for 12.5% of the revenues, increased by 7.7% from ₹ 30,115 Lakhs in 2022-23 to ₹ 32,437 Lakhs in 2023-24. Additionally, the Company's power and fuel costs reduced by 19.4% from ₹ 64,707 Lakhs in the 2022-23 to ₹ 52,187 Lakhs in 2023-24.

## Analysis of the Balance Sheet

### Sources of Funds

As of year ending on 31 March, 2024, the Company's capital employed decreased from ₹ 1,40,724 Lakhs in 2022-23 to ₹ 1,19,693 Lakhs in 2023-24. Additionally, the Company's net worth decreased from ₹ 78,697 Lakhs to ₹ 72,014 Lakhs in the same period, mainly due to buyback of equity shares.

The Company's long-term debt increased marginally by 0.3% to ₹ 18,567 Lakhs on 31 March, 2024. The long-term debt-equity ratio reached 0.26 x in 2023-24. Additionally, the Company's finance cost increased by 15.1%, from ₹ 4,036 Lakhs to ₹ 4,646 Lakhs in 2023-24.

### Applications of Funds

The Company's gross block (including CWIP) increased by 7.6% from ₹ 1,35,954 Lakhs as of 31 March, 2023, to ₹ 1,46,352 Lakhs as of 31 March, 2024, due to investments in production capabilities. Additionally, the depreciation and amortization increased by 6.9% from ₹ 6,785 Lakhs in the year 2023-23 to ₹ 7,251 Lakhs in 2023-24.

## Working Capital Management

As of 31 March, 2024, the Company's current assets reduced by 8.7% to ₹ 82,145 Lakhs from ₹ 89,941 Lakhs in the previous year. Further, the inventory levels of the Company, which include raw materials, work-in-progress, and finished goods reduced by 11.5% from ₹ 39,148 Lakhs to ₹ 34,658 Lakhs in 2023-24. The inventory turnover cycle reduced to 49 days in 2023-24 from 58 days in 2022-23. However, the Company's debtors' turnover cycle increased from 40 days to 48 days, with a total of ₹ 33,722 Lakhs in 2023-24 compared to ₹ 26,831 Lakhs in 2022-23.

## Margins

The Company's EBITDA margin improved by 216 basis points, from 7.7% in 2022-23 to 9.8% in 2023-24. Similarly, the net profit margin also by 86 basis points, from 2.9% in 2022-23 to 3.8% in 2023-24.

## Key Numbers

Particulars	2023-24	2022-23
Debtors' Cycle (days)	48	40
Inventory Cycle (days)	49	58
Interest Coverage Ratio (x)	4.12	3.35
Current Ratio (x)	0.98	1.11
EBITDA/Turnover (%)	9.8	7.7
Debt-Equity Ratio (x)	0.47	0.62
Net Profit Margin (%)	3.8	2.9
Return on Net Worth (%)	12.9	9.8
Book Value Per Share (₹)	175.63	185.28
Earnings Per Share (₹)	23.00	16.83

# Human Resource

In today's fiercely competitive business environment, Somany Ceramics demonstrates a deep appreciation for the pivotal role played by its human resources in driving success. Understanding that employees are fundamental for any organization, Somany Ceramics has taken a comprehensive approach to fortify its workforce. By embracing best practices and implementing Standard Operating Procedures (SOPs) across various functions, the Company ensures uniform efficiency and consistency among team members, thereby optimizing overall performance.

However, Somany Ceramics does not rest on its laurels; it actively pursues innovation to future-proof its human resources. Recognizing the paramount importance of employee skill development, the Company has pioneered the industry by introducing a state-of-the-art e-learning platform. This dynamic tool not only empowers employees to stay abreast of evolving market dynamics and consumer expectations but also fosters a culture of curiosity and continuous learning within the organization.

The recognition received from the Confederation of Indian Industry (CII) for 'Significant Excellence in HR Practices' serves as a testament to Somany Ceramics' unwavering commitment to nurturing its employees and cultivating a workplace culture centered on innovation, inclusivity, and empowerment. Furthermore, in its pursuit of excellence, Somany Ceramics has leveraged technology to streamline its HR processes. The development and implementation of a sophisticated cloud-based software have revolutionized HR management, automating critical areas, reducing manual intervention, and enhancing overall process efficiency.

As of 31 March, 2024, the Company had 1,953 workforce on its payroll.



# Audit Discipline

Somany Ceramics showcases a committed dedication to a comprehensive and robust risk management framework, reinforced by a meticulously crafted internal control system. This hallmark of the Company's corporate ethos reflects a profound commitment to excellence and forward-thinking.

At the core of this formidable risk management strategy lies the establishment of a highly skilled internal audit committee, comprising distinguished Independent Directors. Operating with utmost diligence, this committee upholds transparency and rigorously safeguards the organization against potential manipulation. It diligently presents its findings to the Board on a quarterly basis, empowering stakeholders to make well-informed decisions in the dynamic realm of risks.

In addition to this structure, Somany Ceramics conducts weekly executive committee meetings, where visionary leaders collaborate

seamlessly, devising innovative strategies to proactively address emerging risks. This collective ingenuity enables the Company to anticipate challenges, pre-empt threats, and navigate complexities with unparalleled insight. The committee's dedication extends to addressing compliance issues, reinforcing the Company's operational resilience.

Reflecting a corporate ethos steeped in innovation, Somany Ceramics understands that risk management goes beyond mere compliance—it serves as an integral pillar supporting a robust and sustainable business model. This commitment to ethics, responsible governance, and prudent decision-making is ingrained in the organization's DNA.

By harnessing the collective expertise of its visionary minds, Somany Ceramics cultivates a strong bond with stakeholders, fostering trust and transparency. The Company's emphasis on accountability earns admiration and respect from the industry.



## Cautionary Statement

The section comprises statements that indicate the Company's aims, projections, expectations, and estimations. These statements may be considered 'forward-looking' according to securities laws and regulations, and there is a possibility that the actual results may differ significantly from what is expressed or implied. Various factors such as economic conditions affecting supply and demand, fluctuations in raw material costs, alterations in Government rules and tax laws, economic developments, and other unanticipated factors could severely affect the Company's operations.

## Board's Report

Dear members,

Yours Directors have pleasure in presenting the 56th Board's Report together with the Annual Audited Financial Statements of the Company for the year ended 31 March, 2024.

### FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31 March, 2024	Year Ended 31 March, 2023	Year Ended 31 March, 2024	Year Ended 31 March, 2023
Revenue from Operations	2,53,448.07	2,44,270.07	2,59,135.45	2,47,850.73
Other Income	2,812.07	2,768.14	1,061.49	1,454.27
Expenses (except Depreciation, Finance Cost)	2,36,536.20	2,29,605.98	2,33,814.27	2,28,980.33
Profit before Depreciation, Interest and Taxes (before exceptional item)	19,723.94	17,432.23	26,382.67	20,324.67
Profit before Tax (after Exceptional item)	14,403.79	12,191.58	14,280.82	9,285.75
Tax Expenses	4,026.70	3,183.11	4,342.34	2,594.09
Profit After Tax	10,377.09	9,008.47	9,938.48	6,691.66
Profit After Tax (Attributable to Controlling Interest)	10,377.09	9,008.47	9,688.94	7,149.16
Profit After Tax (Non - Controlling Interest)	-	-	249.54	(457.50)
Transferred to General Reserve	-	-	-	-

### FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

Your Company witnessed a challenging year and experienced a very slow market demand environment. Despite a weak market demand particularly in the second half of the financial year, the revenue increased by 3.8% to ₹ 2,53,448.07 Lakhs from ₹ 2,44,270.07 Lakhs in the previous financial year. The Profit before Interest, Depreciation and Tax, Profit before Tax (PBT) after Exceptional items and Profit after Tax (PAT) for the year under review were ₹ 19,723.94 Lakhs, ₹ 14,403.79 Lakhs and ₹ 10,377.09 Lakhs respectively.

On the Balance Sheet front, your Company's Net Worth decreased to ₹ 72,316.84 Lakhs in 2023-24 as compared to ₹ 78,320.80 Lakhs in 2022-23 primarily on account of buyback of equity shares. The Company's total debt decreased to ₹ 1,401.39 Lakhs in 2023-24 as compared to ₹ 17,612.91 Lakhs during 2022-23 on account of repayment of term loan and reduction in short term borrowings. The Net block (including capital work-in-progress) of your Company decreased to ₹ 45,735.62 Lakhs during 2023-24 as compared to ₹ 46,247.79 Lakhs during 2022-23. The

long-term investment of your Company increased to ₹ 30,716.34 Lakhs in 2023-24 from ₹ 13,159.78 Lakhs in 2022-23 primarily due to investments in equity shares and preference shares of Somany Max Private Limited and Somany Piastrelle Private Limited. During the year under review, Somany Max Private Limited has set up a manufacturing plant of large format tiles/ slabs.

There was reduction in net current assets to ₹ 1,433.74 Lakhs during 2023-24 from ₹ 27,500.48 Lakhs during 2022-23 primarily on account of the reduction in surplus cash which was deployed by your Company towards the buyback of equity shares of the Company and increased trade payables.

### CONSOLIDATED FINANCIAL STATEMENTS

As required by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consolidated financial statements have been prepared in accordance with applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report forms part of this Annual Report.



The consolidated net profit of your Company was ₹ 9,688.94 Lakhs in the year under review compared to ₹ 7,149.16 Lakhs in the previous year.

## CORPORATE HIGHLIGHTS

### Access to Capacity

During the year under review, your Company added capacity of 4 msm per annum of slabs/ large format tiles in Somany Max Private Limited, Subsidiary Company, which is a state-of-the-art plant and our first line with CONTINUA+ cutting edge technology. It was a greenfield project and post successful commissioning; it commenced commercial production in January, 2024. As a result, the access to tile capacity increased to ~80 million square meters (msm) divided amongst its own plants (33.45 msm), subsidiaries/associates (28.12 msm) and other outsourcing tie-ups (~18 msm).

In the Bathware segment, your Company had manufacturing capacity of 0.78 million pieces per annum of sanitaryware and 1.13 million pieces per annum of bath fitting items in its subsidiaries.

### Capital Expenditure

Your Company continued to invest in expanding and upgrading its plant and machinery and infrastructure. Gross block of fixed assets (including capital work-in-progress) increased by ₹ 4,552.11 Lakhs during the financial year as compared to ₹ 5,130.64 Lakhs in the 2022-23 on account of addition in fixed assets.

### Branding and Distribution

Reflecting on the 2023-24 financial year, we embraced lessons from the past and forged ahead with optimism. Despite the ever-changing market dynamics, we remained vigilant, guiding our strategies with a blend of caution and determination.

This financial year began on a high note as our VC Shield tiles received the prestigious Superbrand status. This rare accolade is a testament to the unique and patented technology, endorsed by millions of satisfied customers.

To bolster our brand's presence and engage our target audience, we implemented a comprehensive 360-degree strategy. This involved a focused approach using television and digital channels to increase awareness and consideration, alongside outdoor and hyperlocal marketing efforts to drive conversion.

We started off the financial year 2023-24 with a campaign in the India Premier League (IPL), associating with Lucknow Super Giants franchise

team, as their official partner with our logo on the caps and helmets. We did an aggressive social media campaign and also aired our brand television commercial on connected TV. With around 40 days of activities, we created array of posts, from contest announcements to match schedules and winner celebrations. Our campaign reach skyrocketed to an impressive 10 million reach and 90 million impressions on CTV.

During the year under review, with a grand launch at Mumbai, we unveiled our highly anticipated 15mm collection of luxury slabs, COVERSTONE 15. This was followed up with extensive BTL activities and outreach programs, innovative displays, sampling and several meets were also conducted to bring influencers and channel partners on board.

To enhance product awareness, we launched two TVCs and five products films featuring Bollywood superstars Salman Khan and Varun Sharma in the year. These advertisements showcased our premium bathware collection and SOMANY Max Coverstone 15, along with five digital films on EZYfix Adhesive, VC Shield Tiles, Slip Shield Tiles, Temp Shield, and Durastone. The campaign spanned across TV, digital, social media, and outdoor platforms, successfully reaching our target audience, and attracting new prospects.

Our strategy centered around reinforcing our presence in the news genre, securing a commanding share of voice spanning both Hindi Speaking Markets (HSM) and the vibrant southern markets of Tamil Nadu, Andhra Pradesh/ Telangana, and Kerala, culminating in a combined outreach of 64.7 million across pan India.

In the digital sphere, our aggressive campaigns focused on strategic targeting on YouTube and leveraging affinity targeting with Meta platform. Our always-on campaigns on social, display, and search, as well as performance marketing, have yielded good results. We initiated the digital marketing transformation process, working on WhatsApp integration, CRM integration, and hyperlocal marketing.

Furthermore, we strategically positioned ourselves in highly visible locations across seven selected airports to enhance brand imagery and create impactful outdoor advertising.

In the Bathware segment, comprehensive marketing support was consistently provided throughout the year, with a significant emphasis on below-the-line (BTL) efforts. We implemented branding initiatives in over 1000 stores and established 'Shop in Shop' (SIS) zones in more than 100 stores nationwide, creating dedicated display areas for bathware products. Additionally, we also actively participated in six exhibitions events across India. During the year we have also launched our retailer

and sub dealer loyalty program "Rishtey" for Bathware which has seen significant enrolment and engagement throughout the year.

Our initiatives extended beyond marketing, with impactful social awareness campaigns such as National Tiles Day and Women's Day celebrations, highlighting our commitment to sustainability and recognizing the contributions of women in architecture.

## INDIAN ECONOMY & INDUSTRY SCENARIO AND OUTLOOK

### Economy

Indian economy demonstrated its resilience amidst the various challenges at global level, which is largely attributed to higher public sector investment, robust financial sector & growth in non-food credit. This is further added by better performance in key sectors like manufacturing, mining, service industry, etc. As a result, Indian economy is expected to grow by 7.6% in 2023-24 as compared to 7.0% in 2022-23. Further, the focused and sizable infrastructure spent coupled with a host of initiatives to attract investments, improve governance, garner support for necessary reforms and instill hope among the people. Through a strong belief in 'Nation-First' principles, the Government effectively navigated national and international challenges. Building on this foundation of resilience and resolve, it is now augmenting efforts to bolster the strength and vitality of the Indian economy.

Indian economy is expected to maintain its growth momentum going forward and anticipated to grow at a consistent growth of 6.7% annually from 2024 to 2031, as per report by CRISIL. The stable interest rate is expected to decline in the near future subject to the inflation target and accordingly, the declined interest rate is likely to boost the growth rate. The remarkable improvement in unemployment rate taking it to historic low of 3.2% in 2022-23 coupled with substantial progress in infrastructure are signaling a continued upward trend of Indian economy and laying a robust path towards the third largest economy in the world.

### Industry

India's ceramic tile industry has garnered global recognition due to its remarkable growth in export activity by registering more than tenfold increase in 10 years, taking the total tiles volume export to 590 million square meters in 2023 against 55 million square meters in 2013. This expansion has been consistent across all continents, highlighting the industry's increasing global presence. The Government of India is actively involved in this endeavor, focusing on improving road networks, urban transport, water supply, housing, power infrastructure, smart cities,

and urban management. These developments significantly impact the residential and commercial construction markets, consequently driving growth in the Indian ceramic tiles market in the foreseeable future.

The rapid urbanization in India would propel the growth of Indian real estate and tiles industry. This is a focal point for Indian Government as well and they are actively involved in this endeavor and relentlessly focusing on road network, urban transport, water supply, power infrastructure, housing units, urban management, etc. The urban population in India is expected to grow from 36% in 2023 to 50% in 2030. The Indian ceramic industry is on track to become the world's largest ceramic producer in the coming years. It has already established itself as a significant global player in the ceramic tile market, ranking second only to China in terms of manufacturing, consumption, and export.

The ceramic tiles market in India is on a steady rise, driven by the resurgence of the construction sector following a slow demand environment. The construction industry plays a pivotal role in driving the expansion of the ceramic tiles market, which is aided by a number of initiatives taken by the Government such as Pradhan Mantri Awas Yojana (PMAY), Smart Cities Mission, allowing upto 100% FDI in specific segments in addition to some other measures like increase in limit of tax benefit on housing loan interest, reduction in stamp duty fees on registration, etc.

### DIVIDEND

Based on the Company's performance during the period under review, your Board of Directors recommend a final dividend @ 150% i.e. ₹ 3 per equity share of ₹ 2/- each (face value) similar to the Dividend of 150% i.e. ₹ 3 per equity share as in the previous year. This represents a payout ratio of 11.85% as against 14.1% in the previous year. This recommendation is subject to the approval of the Members at the ensuing 56<sup>th</sup> Annual General Meeting ("AGM") of the Company.

### DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Dividend Distribution Policy is available on the website of the Company at the web link: [https://d3joggurz1vobr.cloudfront.net/investorrelations/d/i/dividend\\_distribution\\_policy\\_scl.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/d/i/dividend_distribution_policy_scl.pdf).

### RESERVES

During the year under review, no amount has been transferred to any reserve.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## SHARE CAPITAL

During the year under review, the Company had completed the Buyback of 14,70,588 fully paid-up Equity Shares of face value of ₹ 2 each ("Equity Shares") on a proportionate basis, through the tender offer route through Stock Exchange at a price of ₹ 850/- per Equity Share payable in cash for an aggregate consideration of ₹ 1,24,99,99,800/- (Indian Rupees One Hundred and Twenty-Four Crores Ninety Nine Lakhs Ninety Nine Thousand Eight Hundred only).

As on 31 March, 2024, the Authorized Share Capital of the Company stood at ₹ 32,30,00,000/- divided into 16,15,00,000 equity shares of ₹ 2/- each.

The Issued, Subscribed and Paid up Equity Share Capital of the Company as on 31 March, 2024 was ₹ 8,20,07,240/- divided into 4,10,03,620 equity shares of ₹ 2/- each.

## SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

During the year, the Board of Directors reviewed the affairs of its subsidiaries and associate Companies. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company, incorporating financials of its subsidiaries and associate Companies, except for M/s Clean Max Ananta Private Limited (as stated in Annexure-1), which forms part of this Annual Report, have been prepared.

During the year under review, the Company has acquired 49% shareholding of Clean Max Ananta Private Limited ("CMAPL"), thereby CMAPL became the Associate of the Company w.e.f. 12 March, 2024.

Furthermore, your Company has disinvested its entire equity shareholding in its subsidiary company namely, Somany Fine Vitrified Private Limited ("SFVPL") with effect from 1 July, 2023 vide agreement dated 26 August, 2023, thereby SFVPL ceased to be subsidiary company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements along with related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website at <https://www.somanyceramics.com/>. These documents will also be available for inspection at the registered office of the Company at 2, Red Cross Place, Kolkata - 700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of ensuing Annual General Meeting (AGM).

The statement required under Section 134 of the Companies Act, 2013 in respect of the Subsidiary, Associates and Joint Venture Companies in the form AOC-1 is provided at **Annexure – 1** to this report, which comprises performance and financial position of each of Subsidiaries, Associates and Joint Venture. Refer para on Subsidiary Companies in the Corporate Governance Report for additional details.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during 2023-24 with related parties were on an arm's length basis and in the ordinary course of business. During the year, pursuant to approval of shareholders dated 25 August, 2023, under Regulation 23 of the SEBI Listing Regulations, your Company entered into Material Related Party Transactions with its Subsidiary Company i.e. M/s Sudha Somany Ceramics Private Limited ("SSCPL"). Further, approval of the Audit Committee was sought for all related party transactions. Certain transactions which were repetitive in nature were approved through omnibus route.

All related party transactions were in compliance with the applicable provisions of the Companies Act 2013 and SEBI Listing Regulations. Details with respect to transaction(s) with the Related Party(ies) entered into by the Company during the reporting period are disclosed in the accompanying Financial Statements and the details pursuant to clause (h) of Section 134(3) of Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 which is annexed as **Annexure – 2**.

Your Directors draw attention of the shareholders to the financial statements which set out related party disclosures. A Policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website [https://d3joggurz1vobr.cloudfront.net/investorrelations/r/p/rpt\\_policy\\_w.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/r/p/rpt_policy_w.pdf).

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Disclosure pursuant to Section 134(3)(g) of the Companies Act, 2013 regarding Particulars of Loans, Guarantees and investments covered under Section 186 of the Companies Act, 2013 are provided in the notes to Financial Statements (Standalone) forming part of this Annual Report.

## RISK MANAGEMENT

The Company has Risk Management framework in place in accordance with Section 134(3)(n) of the Companies Act, 2013. Risk Management Policy of the Company is also formulated and necessary controls have been reviewed and put in place from time to time to strengthen it further.

The Risk Management system is quite elaborative and is established to identify, assess and prioritize risks that need to be minimized, monitored and mitigated. These measures help in reducing and controlling the impact of adverse events and maximize the opportunities of realization. Major risks are identified systematically and mitigated on a continuous basis.

The Risk Management Policy as approved by the Board has been uploaded on the Company's website [https://d3joggurz1vobr.cloudfront.net/investorrelations/r/i/risk\\_management\\_policy\\_scl\\_-\\_website.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/r/i/risk_management_policy_scl_-_website.pdf).

### INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the amount of dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to Investor Education & Protection Fund.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to Unpaid Dividend Account shall also be transferred to the demat account of IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notice in this regard was also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

In light of the aforesaid provisions, the unpaid/ unclaimed dividend which was declared for the year ended 31 March, 2017 is due for transfer to IEPF on or after 25 September, 2024.

During the period under review, the Company transferred 26,803 Equity Shares of ₹ 2/- each against dividend of the year 2016, which remained unclaimed for a period of seven consecutive years, to Investor Education and Protection Fund pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

Further, a Dividend amount of ₹ 6,43,644/- which remained unclaimed against dividend of the year 2016, was transferred to IEPF pursuant to Section 124 of the Companies Act, 2013 within the scheduled time.

### STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Directors state that they have devised proper systems to ensure compliance with the provisions of applicable Secretarial Standards i.e. Secretarial Standard on Meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as issued and amended, from time to time by the Institute of Company Secretaries of India ("ICSI") in terms of Section 118(10) of the Act and that such systems are adequate and operating effectively.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief of the Directors of the Company and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) and Section 134 (5) of the Companies Act, 2013:

- a) In the preparation of the annual accounts for the year ended 31 March, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed with proper explanation and there are no material departures from the same;
- b) The Directors had selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2024 and of the profit of the Company for the year ended on that date.
- c) The Directors had taken proper and sufficient care 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.
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The list of Directors and Key Managerial Personnel at the end of the reporting period is as under:

Name	Designation	Category
Mr. Shreekant Somany (DIN: 00021423)	Chairman & Managing Director	Executive
Mr. Abhishek Somany (DIN: 00021448)	Managing Director & Chief Executive Officer (CEO)	Executive
Mr. Salil Singhal (DIN: 00006629)	Independent Director	Non-Executive
Mr. Rameshwar Singh Thakur (DIN: 00020126)	Independent Director	Non-Executive
Mr. Ravinder Nath (DIN: 00062186)	Independent Director	Non-Executive
Mrs. Rumjhum Chatterjee (DIN: 00283824)	Independent Director	Non-Executive
Mr. Vineet Agarwal (DIN: 00380300)	Independent Director	Non-Executive
Mr. Siddharath Bindra (DIN: 01680498)	Independent Director	Non-Executive
Mr. Ghanshyam Girdharbhai Trivedi (DIN: 00021470)	Non-Independent Director	Non-Executive
Mr. Amit Sahai	Chief Executive Officer (CEO) – Tile Business	Key Managerial Personnel
Mr. Sailesh Raj Kedawat	Chief Financial Officer (CFO)	Key Managerial Personnel
Mr. Ambrish Julka	Company Secretary and Compliance Officer	Key Managerial Personnel

Mr. Amit Sahai was appointed as Chief Executive Officer – Tile Business by the Board of Directors in their meeting held on 23 May, 2023.

Mr. Siddharath Bindra (DIN: 01680498 ), shall complete his second and final term as an Independent Director of the Company on 25 May, 2024.

Mr. Salil Singhal (DIN:00006629) and Mr. Ravinder Nath (DIN: 00062186) shall complete their second and final term as Independent Director(s) of the Company on 18 August, 2024.

Subsequent to the end of financial year under review, the Board of Directors in their meeting held on 15 May, 2024 has approved the appointment of Mr. Manit Rastogi (DIN: 00370998) as an Additional Director (Category: Non Executive – Independent Director) of the Company. The appointment of Mr. Manit Rastogi is for a period of

5 years with effect from 15 May, 2024 to 14 May, 2029 which is subject to the approval of shareholders in the ensuing Annual General Meeting.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meeting ('SS-2') are given in the Notice of 56th AGM.

## DECLARATION OF INDEPENDENCE

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Companies Act 2013, ("Act") that they meet the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of Directors and Senior Managers. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors of the Company have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

## BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI LODR, 2015 evaluation has been carried out by the Board, Nomination and Remuneration Committee (NRC) and by the Independent Directors. The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors including Independent Directors. The process provides that the performance evaluation shall be carried out on annual basis.

During the year, the Board has carried out an annual evaluation of its own performance, individual Directors including Independent Directors (excluding the director being evaluated) and its Committees. Board evaluation was carried out on the basis of questionnaire, prepared after considering various inputs received from the Directors, covering various aspects revealing the efficiency of the Board's functioning such as

Development of suitable strategies and business plans, size, structure and expertise of the Board and their efforts to learn about the Company and its business, obligations and governance.

Performance evaluation of every Director was carried out by Board and Nomination and Remuneration Committee on parameters such as appropriateness of qualification, knowledge, skills and experience, time devoted to Board deliberations and participation in Board functioning, extent of diversity in the knowledge and related industry expertise, attendance and participations in the meetings and workings thereof and initiative to maintain high level of integrity & ethics.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman was evaluated, taking into account the views of Executive and Non-Executive Directors.

The performances of Committees were evaluated on parameters such as whether the Committees of the Board are appropriately constituted, Committees has an appropriate number of meetings each year to accomplish all of its responsibilities, Committee Members maintain the confidentiality of their discussions and decisions. Committee conducts a self-evaluation at least annually and make periodically reporting to the Board along with its suggestions and recommendations.

Independent Director's performance evaluation was carried out on parameters such as Director upholds ethical standards of integrity, the ability of the Director to exercise objective and independent judgment in the best interest of Company, the level of confidentiality maintained. The Directors expressed their satisfaction with the evaluation process.

The Board found the evaluation satisfactory and no observations were raised during the said evaluation in current year as well as in previous year.

### **NOMINATION AND REMUNERATION POLICY**

Your Company has formulated the nomination and remuneration policy ("NRC policy") for its Directors, Key Managerial Personnel and other Employees of the Company. This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company, the Policy also includes criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or at Senior

Management level and recommend to the Board their appointment based upon the need of the Company.

The NRC policy is available for the stakeholders on the website of the Company and same is accessible at web link [Nomination and Remuneration Policy](#).

### **MEETINGS OF THE BOARD**

During the year, Five (5) meetings of Board of Directors were held, i.e., on 23 May, 2023, 10 August, 2023, 26 October, 2023, 08 November, 2023 and 01 February, 2024. For details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### **COMMITTEES OF THE BOARD**

During the year, Three (3) meetings of Nomination and Remuneration Committee, Three (3) meetings of Stakeholders Relationship Committee, Five (5) meetings of Audit Committee, Four (4) meetings of Corporate Social Responsibility Committee, Twelve (12) meetings of Share Transfer Committee, Two (2) meetings of Company Administrative Committee and Three (3) meetings of Risk Management Committee were held, the details of which are given in the Corporate Governance Report forming part of this Annual Report.

### **AUDIT COMMITTEE**

The Audit Committee of the Company consists of Mr. Rameshwar Singh Thakur, as Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi as members of the Committee.

Mr. Ambrish Julka, Company Secretary, acts as secretary to the Audit Committee.

All the recommendations made by the Audit Committee were accepted by the Board during the year.

### **AUDITORS**

#### **Statutory Auditor**

M/s. Singhi & Co., Chartered Accountants, having Firm Registration No.302049E, were re-appointed at the 54th Annual General Meeting (AGM) held on 23 September, 2022, for a term of 5 years from the conclusion of 54th AGM till the conclusion of the 59th AGM to be held in the year 2027.

The observations of the Auditors, if any, are explained wherever necessary, in the appropriate notes to the accounts. The Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers, which would be required to be dealt with in the Boards' Report.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, the Statutory Auditors has not reported any incident of fraud during the year under review.

#### **Secretarial Auditor**

M/s Pinchaa & Co., Company Secretaries, having Unique Code Number (U.C.N.) P2016RJ051800 was appointed to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year ended 31 March, 2024. The Secretarial Audit Report for the financial year ended 31 March, 2024 is annexed and marked as **Annexure – 3** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013, the Secretarial Auditor has not reported any incident of fraud during the year under review.

Further, the Board has re-appointed M/s Pinchaa & Co., Company Secretaries, having U.C.N. P2016RJ051800 as Secretarial Auditor of the Company for the 2024-25.

#### **Internal Auditors**

Your Board of Directors, during the year under review, has re-appointed M/s. Grant Thornton Bharat LLP, (LLPIN: AAA-7677), to act as the Internal Auditors of the Company for the financial year 2023-24 pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at 31 March, 2024 on its website at <https://www.somanyceramics.com/investor-relation/mgt-7>.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has in place a Corporate Social Responsibility Policy ("CSR policy") in accordance with the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 on recommendation of Corporate Social Responsibility Committee ("CSR Committee") and approval of the Board of Directors of the Company.

The CSR Committee undertakes CSR activities in accordance with its (CSR Policy) which is uploaded on the Company's website at [www.somanyceramics.com](http://www.somanyceramics.com) at the web link: [https://d3joggurz1vobr.cloudfront.net/investorrelations/c/o/corporate\\_social\\_responsibility\\_policy\\_revised\\_16-06-2021.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf).

The 2% of the average net profit, as calculated pursuant to the provisions of Companies Act, 2013, to be spent for CSR expenditure in the financial year 2023-24 was ₹ 225.59 Lakhs, whereas total amount spent by the Company on CSR activities was ₹ 225.68 Lakhs. The detailed report on CSR activities is enclosed as **Annexure – 4** to this report.

#### **INTERNAL CONTROL SYSTEM**

The Company has an effective Internal Control System in place considering the size, scale and complexity of the operations. The internal control is supplemented by the detailed internal audit program, review by management and the Audit Committee and documented Policies, SOPs, Guidelines and Procedures. The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all the locations of the Company and also concurrently reviewing the major activities at transaction level.

#### **INTERNAL FINANCIAL CONTROL**

The Company has an adequate Internal Financial Control (IFC) System in accordance with the Section 134(5)(e) of the Companies Act, 2013 for ensuring the orderly and efficient conduct of its business including adherence to company policies safeguarding of its assets, prevention & deduction of frauds and errors, accuracy & completeness of accounting records and timely preparation of reliable financial information. The standard controls defined in the IFC framework are reviewed by the Internal Auditors, External Consultants and Management concurrently to strengthen the existing processes and activities of the Company by way of formulating new guidelines and incorporating necessary changes in the SOP when needed.

#### **HUMAN RESOURCE (HR)**

We, at Somany Ceramics Limited, have always tried to provide an immersive experience for our employees. Our Vision of being the 'best employer in the tile industry' has become a motto and a way of life for us. While we continue to choose the best fit and refine our talent, we have introduced quite a few initiatives this year to provide our employees a better environment to thrive in.

#### **Revolutionizing Learning & Development**

A significant change came about with the evolution of our Learning & Development practices.

- Aagman, our induction program, in spite of winning the On-Boarding Program of the Year Award at the 13<sup>th</sup> Edition Future of L&D Summit & Awards, 2023 by UBS Forums, saw further upgrades. Being the first major milestone in the employee lifecycle, we thought it prudent to make it a memorable experience where not only knowledge is

earned, but bonds are formed. Introducing the Aagman whatsapp group also allowed its participants to interact and build bridges even after being miles apart. It also helped resolve their queries and concerns on the spot thereby acting in a more convenient form of communication.

- Further, we have automated the feedback and assessment processes, which has made the analysis of the responses quicker, easier and more accurate. We have also introduced the 30-60-90 days post induction assessment to help improve our on-boarding process. These assessments have proven resourceful in identifying gaps between what we offer and what are employees need.
- We have also introduced the Somany Awareness Series which is a quick-learning initiative. These easy-to-grasp video clips are designed to enhance the understanding of platforms and processes. These videos have delved into the intricacies of E-Campus, have shed light on assessing, identifying, reviewing learning needs and will further cover the effectiveness of training evaluation.
- The Product Mastery sessions introduced for Bathware and Coverstone-15 are aimed to provide sales team with knowledge about the Features, Advantages, and Benefits (FAB) of the products, Unique Selling Points (USPs), and the competitive advantages of the Company's products compared to others in the market.
- We also prioritize Safety training for our workers and staff across all our Plant sites. Our safety training sessions encompasses wide range of topics, such as working at heights, administering first aid, operating forklifts, identifying hazardous conditions among others.

### Recognizing Excellence

Each year, as we celebrate the exceptional contributions of our employees, we bestow the Best Employee Award upon those demonstrating outstanding achievements in our Plants, recognizing their efforts that have never gone unnoticed. Additionally, our appreciation extends to those employees and workers who have consistently upheld perfect attendance, displaying steadfast reliability and dedication to their respective roles and our organization.

Furthermore, the Best Employee Award also goes to our Sales Frontliners whose outstanding performance and dedication have been truly commendable. This award is presented across our Tiles, Bathware, and Adhesives units, where the best of the best are honored from each region. Our exemplary leadership is also identified and awarded with the Best State Head and Best Regional Head.

This past year, we also extended our gratitude to 192 employees honored with Long Service Awards for their enduring commitment to the

Organization. These collective achievements underscore the strength and resilience of our team, driving us forward as we continue to uphold our values and pursue excellence in all endeavors.

### Engaging Excellence

This year saw a surge in our employee engagement initiatives as we delved into the bliss of festivities. Festivals like Diwali, Christmas and Holi saw resounding zeal for fun, inclusivity and camaraderie. Women's Day Celebration was a significant occasion dedicated to honoring the remarkable women contributing to our team in various capacities. These extraordinary individuals came together for an exclusive celebration, commemorating their brilliance and achievements. Further, Kalakriti, the children's day painting competition, saw better participation than ever before with over 200 children participating across all our locations.

### Driving Excellence

The Suggestion Scheme at our plant sites saw new vigor as employees and workers gave new suggestions for process improvement, safety measures, cost reduction, and productivity enhancement. This was aimed to harness the collective intelligence and experience of our employees for operational excellence.

It promoted inclusivity, welcoming contributions from all levels of the organization. In addition, departmental heads were encouraged to motivate their teams to actively participate, ensuring at least two suggestions per department per month. Overall, the suggestion scheme continues to help facilitate operational improvements and foster employee involvement and collaboration, contributing to refining the employee experience.

As part of our ongoing commitment to enhancing efficiency and sustainability, we have introduced an online Leave Management System (LMS) to facilitate leave applications for our workers. This strategic initiative has not only modernized our leave application process but also minimized our reliance on paper-based procedures. This shift away from traditional paper forms underscores our dedication to embracing digital innovation and fostering a culture of adaptability within our organization.

Further, one of our most prized initiatives over the years has been the Leave Donation Policy. This policy allows employees to donate leaves to their peers in need. We have always encouraged employees to have a "sharing is caring" attitude and help each other wherever possible. During the year, the employees donated 288 leaves, which benefited 5 employees of the Company.

### Empowering Tomorrow's Leaders

We have initiated education and community engagement through our Student Industrial Visit Program. This initiative, designed to bridge



academic theory with real-world practice. The Company welcomed over 700 students from esteemed institutions in and around Kadi and Kassar. These visits offer students invaluable exposure to our manufacturing processes, operations, and corporate culture. By fostering these connections, we not only inspire the next generation but also increase our brand's visibility within the academic community.

Our Apprentice program has also been gaining momentum. Through the Government Apprentice Scheme, we provide opportunities to all those who are enthusiastic to gain hands-on experience in our industry. Currently, there are six female apprentices participating in this program at the Kadi plant and 10 in the Kassar plant, contributing their skills and enthusiasm to our team while gaining valuable professional experience. This initiative not only empowers the youth by equipping them with practical skills but also enriches our workforce with diverse perspectives and talents.

As we reflect on the strides we have made in nurturing our workforce and cultivating a culture of excellence, we are filled with pride and gratitude for the journey we've embarked on together. Our commitment to being the best employer in the tile industry isn't just a lofty goal; it's a testament to our unwavering dedication to our employees' growth, well-being, and success. With every initiative, every milestone, and every success, we reaffirm our belief in the power of our people and the strength of our collective vision.

### WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has a Vigil Mechanism/ Whistle Blower Policy in line with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 177(9) of the Companies Act, 2013. The policy enables the stakeholders (including Directors and employees) to report their concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and enables direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any, reported under this Policy are appropriately and expeditiously investigated by the Chairman. The details of the Whistle Blower Policy are also explained in the Corporate Governance Report and the Policy is also available on the website of the Company at the weblink: [https://d3joggurz1vobr.cloudfront.net/investorrelations/v/i/vigil\\_mechanism\\_whistle\\_blower\\_policy\\_revised\\_16-06-2021.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/v/i/vigil_mechanism_whistle_blower_policy_revised_16-06-2021.pdf).

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms integral part of this Annual Report.

### CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, R&D, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forms part of this Report as **Annexure – 5**.

### PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure – 6**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are provided at **Annexure- 7**.

### EMPLOYEE STOCK OPTION

#### Somany Ceramics Employee Stock Plan 2021

Somany Ceramics Employee Stock Plan 2021 was approved by the shareholders of the Company on 07 April, 2022 through Postal Ballot for grant of 4,23,794 Options. Out of the said total options, 3,50,102 grants were granted to 33 eligible employees on 29 April, 2022 in First Grant and 1,01,107 options were granted to 13 eligible employees on 07 February, 2023 in the second grant.

During the year under review, due to resignation of few eligible employees, 16,329 options lapsed/forfeited from first grant and 15,003 options lapsed/forfeited from second grant under the Somany Ceramics Employee Stock Plan 2021.

#### Somany Ceramics Employee Stock Plan 2023

The Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on 23 May, 2023 approved the Somany Ceramics Employee Stock Plan 2023 (hereinafter to be referred as "Somany Ceramics Employee Stock Option Plan 2023" or the "Plan" or "Scheme") for grant of 12,74,226 Options to Eligible Employees/Directors of the Company and/or group companies including Subsidiary or Associate Companies and recommended the same to the Shareholders of the Company for their approval. The Plan was also approved by the shareholders of the Company at the

55th Annual General Meeting held on 25 August, 2023. As per Regulation 12(3) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company obtained in-principle approval from the stock exchanges prior to the grant of options.

The Nomination and Remuneration Committee granted 1,36,576 options to 26 eligible employees of the Company on 08 November, 2023.

During the year under review, due to resignation of an employee, 2,839 options were lapsed / forfeited from the first grant under the Somany Ceramics Employee Stock Plan 2023.

The certificate from the Secretarial Auditor of the Company certifying that the scheme is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with resolution passed by the Members in general meeting.

With regard to the above, the disclosures as stipulated under the SEBI Regulations and Companies Act, 2013 as on 31 March, 2024 as provided in **Annexure – 8** to this report. The details are also available on the website of the Company at the weblink: [ESOP Disclosure FY 2023-24](#)

### CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. A separate report on Corporate Governance and a certificate from the Statutory Auditors confirming compliance with the Corporate Governance requirements forms part of this Report as **Annexure – 9**.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with the SEBI Listing Regulations, the Company has prepared a Business Responsibility and Sustainability Report for the financial year 2023-24 which includes non - financial disclosures from an Environmental, Social and Governance (“ESG”) perspective and are sought under Nine (9) Principles of National Guidelines on Responsible Code of Conduct for measuring the performance in areas of business responsibility and sustainability and the same forms part of this Annual Report.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION,PROHIBITIONANDREDRESSAL)ACT,2013

Your Company continues to follow robust policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. The Company has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”. The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period under review, the Company has not received any complaint of sexual harassment

### OTHER DISCLOSURES

- I. There were no significant material orders passed by the Regulators / Courts during the financial year 2023-24 which would impact the going concern status of the Company and its future operations.
- II. There were no material changes and commitments in terms of Section 134(3)(l) of the Companies Act, 2013, affecting the financial position of the Company.
- III. The maintenance of cost records as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.
- IV. There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.
- V. There has been no change in the nature of business of the Company.
- VI. There was no instance of one-time settlement with any Bank or Financial Institution.

**For and on behalf of the Board  
SOMANY CERAMICS LIMITED**

**Shreekant Somany**

Chairman & Managing Director

Place: Noida

Dated: 15 May, 2024

DIN: 00021423

# ANNEXURE – 1

## FORM AOC-1

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

### PART-A: SUBSIDIARIES

(₹ in Lakhs)

Name of the Subsidiary companies	SR Continental Limited	Somany Bathware Limited	Somany Excel Vitrified Private Limited	Somany Piastrelle Private Limited	Amora Tiles Private Limited	Somany Sanitary Ware Private Limited	Sudha Somany Ceramics Private Limited	Somany Bath Fittings Private Limited	SRCL Buildwell Private Limited*	Somany Max Private Limited
Reporting period for the subsidiary concern, if different from the holding Company's reporting Period	Not Applicable									
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign subsidiaries	Not Applicable									
Date since when subsidiary was Acquired	25 June, 1979	26 December, 2006	30 October, 2015	18 February, 2021	29 November, 2013	01 June, 2015	20 September, 2017	01 May, 2018	09 November, 2021	24 February, 2022
Share Capital	268.50	50.00	351.00	5,000.00	1,040.00	990.00	5,612.50	185.91	251.00	7,500.00
Reserves & surplus / (Accumulated Losses)	162.27	54.59	49.34	(1,474.32)	(63.37)	364.84	(676.43)	731.32	(10.37)	(583.98)
Total assets	944.66	104.95	436.59	15,541.81	4,800.37	3,817.89	23,319.57	1,960.03	448.58	23,796.10
Total liabilities (Excluding Share Capital & Reserves)	513.89	0.36	36.25	12,016.13	3,823.73	2,463.05	18,383.50	1,042.80	207.95	16,880.08
Investments	251.00	-	-	-	-	-	-	-	-	-
Turnover including other income	483.60	5.93	66.51	13,125.07	9,068.93	4,963.32	21,988.47	4,548.16	465.11	1,565.25
Profit / (Loss) before taxation	55.76	3.32	5.72	(452.41)	12.33	139.57	168.08	196.44	(5.51)	(535.09)
Provisions for taxation	(2.45)	(0.64)	1.46	48.38	3.65	35.78	46.79	49.52	(1.53)	(37.67)
Profit / (Loss) after taxation	58.21	3.96	4.26	(500.79)	8.68	103.79	121.29	146.92	(3.98)	(497.42)
Other Comprehensive Income	-	-	-	(11.64)	2.87	6.46	(0.19)	(2.31)	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	51%	51%	60%	100%	100%	80%

\* SRCL Buildwell Private Limited is subsidiary of SR Continental Limited.

Name of the subsidiary which have been liquidated or sold during the year: Your Company has disinvested its entire equity shareholding in Somany Fine Vitrified Private Limited (SFVPL) with effect from 1 July, 2023 vide agreement dated 26 August, 2023.

## PART B: ASSOCIATES AND JOINT VENTURES

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

Name of the associates/ joint ventures	Acer Granito Private Limited	Vicon Ceramic Private Limited	Vintage Tiles Private Limited	Clean Max Ananta Private Limited
Latest audited balance sheet date	31 March, 2024	31 March, 2024	31 March, 2024	-*
Date on which the Associate or Joint Ventures was associated or acquired	08 March, 2014	26 November, 2013	13 January, 2012	12 March, 2024
Shares of associate/ joint ventures held by the Company at the year end	14,60,000	25,35,000	45,00,000	4,900
Amount of investment in associates/ joint venture (₹ in Lakhs)	511.00	253.50	1,399.50	0.49
Extend of Holding %	26.05%	26.00%	50.00%	49.00%
Description of how there is significant influence	Section 2(6)	Section 2(6)	Section 2(6)	Section 2(6)
Reason why the associate/ joint venture is not consolidated	NA	NA	NA	Subsequent to reporting date, the Company has entered into various agreements with the other shareholders of CMAPL which restricts the Company to participate in the financial and operating policy decisions of the CMAPL, it is therefore, CMAPL cease to be an associate of the Company under IND AS.
Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	752.30	327.71	834.20	(0.03)*
Profit/ Loss for the year (₹ in Lakhs)				
a) Considered in Consolidation (₹ in Lakhs)	22.04	93.68	93.06	-
b) Not considered in consolidation (₹ in Lakhs)	-	-	-	(0.16)*

\*figures are considered on the basis of management accounts of Clean Max Ananta Private Limited

- Name of the Associates or joint Venture which are yet to commence operations -Clean Max Ananta Private Limited
- Name of the Associates or joint Venture which have been liquidated or sold during the year -None
- There is no Associate or JV Company other than those mentioned above.

### For and on behalf of the Board

#### Abhishek Somany

Managing Director & Chief Executive Officer  
(DIN: 00021448)

#### Shreekant Somany

Chairman & Managing Director  
(DIN: 00021423)

#### Ambrish Julka

Sr. GM- Legal & Company Secretary

#### Sailesh Raj Kedawat

Chief Financial Officer

Place: Noida

Dated: 15 May, 2024

# ANNEXURE – 2

## FORM NO. AOC-2

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

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

### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: NIL

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	NA
e)	Justification for entering into such contracts or arrangements or transactions'.	NA
f)	Date of approval by the Board.	NA
g)	Amount paid as advances, if any.	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188.	NA

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS: NIL

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any.	NA
e)	Date(s) of approval by the Board, if any	NA
f)	Amount paid as advances, if any.	NA

**For and on behalf of the Board**

**Shreekant Somany**

Chairman & Managing Director

DIN: 00021423

Place: Noida

Dated: 15 May, 2024

## ANNEXURE – 3

### Form No.: MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31 March, 2024

[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,  
Somany Ceramics Limited  
2, Red Cross Place Kolkata WB 700001

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices followed by **Somany Ceramics Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Somany Ceramics Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2024 ('Audit Period') 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 31 March, 2024 ("period under review") according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under review)**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulation 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under review)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under review) &**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on their Sector/ Business.

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

- (i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

**We further report that**, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per the Companies Act, 2013 ("the Act"). The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings in accordance with the provisions of the Act. Agenda and detailed notes on agenda were sent in advance except in cases where meetings were convened at a shorter notice. The Company has followed the provisions of the Act for convening meeting at the shorter notice. 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.

Majority decision is carried through and there was no instance of any director expressing any dissenting views as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

UDIN: F011285F000371227

Dated: 15 May, 2024

Place: Jaipur

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

**We further report that** during the audit period:

- The Members of the Company have provided their approval for the buyback of fully paid up equity shares of the Company via special resolution passed through the Postal ballot by remote e-voting (The resolution is deemed to have been passed on the last date of e-voting i.e. Saturday, 02 December, 2023).
- Following are the details of the Equity Shares bought back by the Company during the Tendering Period and extinguished:

<b>Equity share capital before the said extinguishment (Number of Equity Shares)</b>	<b>Number of Equity Shares extinguished</b>	<b>Equity share capital after the said extinguishment (Number of Equity Shares)</b>
4,24,74,208	14,70,588	4,10,03,620

**We further report that** during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as stated above.

**For Pinchaa & Co.**

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's PR Certificate No. 832/2020

**Akshit Kr. Jangid**

Partner

M. No. : FCS 11285

C. P. No.:16300

(This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.)

**“Annexure-A”**

To,  
The Members,  
**Somany Ceramics Limited**  
2, Red Cross Place Kolkata WB 700001

The above report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures 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 Pinchaa & Co.**

Company Secretaries  
Firm's U.C.N. P2016RJ051800  
Firm's PR Certificate No. 832/2020

**Akshit Kr. Jangid**

Partner  
M. No. : FCS 11285  
C. P. No.:16300

UDIN: F011285F000371227  
Dated: 15 May, 2024  
Place: Jaipur



# ANNEXURE – 4

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES OF THE COMPANY

FOR THE YEAR ENDED MARCH 31, 2024

1. Brief outline on CSR Policy of the Company

Your Company is committed to transforming health, sustainable education, skill & livelihood development, women empowerment, sanitation & making available safe drinking water & social sector ecosystems and had been pursuing CSR initiatives even before it was mandated by law.

Your Company have always laid emphasis on progress with social commitment and believe strongly in core values of empowerment and betterment of not only the employees but also of communities by giving preference to the local areas around its business operations. Your Company shall continue to make a meaningful and measurable impact in nation building, sustainable development, accelerated inclusive growth and social equity through its CSR initiatives. The CSR policy and activities of the Company primarily aims to make an impact for marginalized, disadvantaged, poor or deprived sections of the communities. We integrate our business values and operations to meet the expectations of our shareholders, customers, employees, regulators, investors and community.

As per the CSR Policy, the CSR Projects are being identified and selected by the CSR Committee of the Company considering various factors such as need assessment, available budget and measurable impacts, etc. For the period under review, your Company carried out the CSR activities either directly or through H.L Somany Foundation, a Section 8 Company under the Companies Act, 2013. During the year your company undertook several CSR initiatives in the field of Health, Education, Skill Development and various other activities as per CSR Policy of the Company.

2. Composition of the CSR Committee

SL. 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
1.	Mr. Abhishek Somany	Chairman of CSR Committee and Managing Director & Chief Executive Officer of the Company	4	4
2.	Mr. Salil Singhal	Member of CSR Committee and Independent Director of the Company	4	1
3.	Mr. Ravinder Nath	Member of CSR Committee and Independent Director of the Company	4	2
4.	Mr. Siddharath Bindra	Member of CSR Committee and Independent Director of the Company	4	1
5.	Mr. Ghanshyam Girdharbhai Trivedi	Member of CSR Committee and Non-Executive Non Independent Director of the Company	4	4

3. Weblink of CSR Committee, CSR Policy and CSR projects/activity approved by the board are disclosed on the website of the Company.

Composition of CSR Committee is

<https://d3joggurz1vobr.cloudfront.net/investorrelations/1ff46c17-c7a7-470f-938c-43b621d2ae98-1716804261829.pdf>

Contents of the CSR Policy is

[https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/c/o/corporate\\_social\\_responsibility\\_policy\\_revised\\_16-06-2021.pdf](https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf).

CSR projects/activity is

<https://www.somanyceramics.com/investor-relation/csr>.

4. 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. The Impact Assessment is not applicable for the Company.
5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 11,279.58 Lakhs  
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 225.59 Lakhs  
 (c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years: NIL  
 (d) Amount required to be set-off for the financial year, if any: NIL  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 225.59 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 224.27 Lakhs  
 (b) Amount spent in Administrative Overheads: ₹ 1.41 Lakhs\*  
*\*Overhead means administrative costs of H. L. Somany Foundation.*  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 225.68 Lakhs  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ 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
225.68	NIL	-	-	Nil	-

- (f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	225.59
(ii)	Total amount spent for the Financial Year	225.68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.09
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.09

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

1	2	3	4	5	6		7	8
S. no	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes  
If Yes, enter the number of Capital assets created/ acquired: 6 (Six)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. 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		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	6		
1	Mobile Health Unit (Force Traveller Ambulance) [Address: 14, GIDC, Industrial Estate AT & TA - Kadi, District Mehsana, Gujrat]	382715	06 November, 2023	₹ 19.74 Lakhs	CSR00003400	H.L. Somany Foundation	82/19, Bhakerwara Road, Mundka, New Delhi, 110041
2	Office equipment and fabrication of vehicle [Address: Shop No.27, Shiv Palace Complex, Irana Patia, Chhatral Road, Kadi. Dist. Mehsana, Gujrat]	382715	18 December, 2023 to 13 February, 2024	₹ 3.85 Lakhs	CSR00000901	HelpAge India	C-14, Qutub Institutional Area, New Delhi, 110016
3	Office equipment [Address: Plot-5, Suryakirti Society, Nr. Rishikesh Vidyalaya, Housing Board, Morbi, Gujrat]	363642	26 March, 2024	₹ 0.09 Lakhs	CSR00000901	HelpAge India	C-14, Qutub Institutional Area, New Delhi, 110016
4	Office equipment Tirupati Mobile Healthcare Unit. [Address: H.No. 5-2/7, Kummarigunta, Opp: Bharat Petroleum Bunk, Venkatagiri, Tirupati District, Andhra Pradesh]	524132	31 March, 2024	₹ 0.42 Lakhs	CSR00000901	HelpAge India	C-14, Qutub Institutional Area, New Delhi, 110016
5	Lab and Office Equipment & Tools for skill development centre [Address: G-17,shiv palace Irana patiya, kadi -chattral road mehsana Gujarat]	382715	04 November, 2023 to 02 December, 2023	₹ 8.67 Lakhs	CSR00000016	Third Planet Foundation	369, The Centrum, First Floor, Sultanpur, MG Road, New Delhi – 110030, India
6	Lab Equipment at Somany Tirupati Skill Development Centre [Address: 1st Floor, ACMR Building opposite to Z. P (Boys) high school Venkatagiri , Tirupati (Dt)(524132) (A.P)]	524132	12 May, 2023 to 22 August, 2023	₹ 1.00 Lakhs	CSR00000016	Third Planet Foundation	369, The Centrum, First Floor, Sultanpur, MG Road, New Delhi – 110030, India

- (9) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. – Not Applicable

**For and on behalf of Somany Ceramics Limited**

Place: Noida  
Date: 15 May, 2024

**Shreekant Somany**  
(Chairman & Managing Director)  
(DIN: 00021423)

**Abhishek Somany**  
(Managing Director & Chief Executive Officer and  
Chairman of the CSR Committee)  
(DIN: 00021448)

## ANNEXURE – 5

**The information on conservation of energy, R&D, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:**

### CONSERVATION OF ENERGY

Energy conservation in manufacturing operations is an ongoing process and a serious commitment of all concerned in the Company.

- (a) Energy conservation measures taken by the Company includes steps taken by the Company for utilizing alternate source of energy and the capital investment on energy conservation equipments:
- I. After upgradation of incoming power supply, the Company optimized the cheapest grid power up to the level of 97.56%, which helped to reduce the captive power generation and reduced our power cost substantially. Due to high voltage line & independent feeder the reliability of power has improved as power interruptions have gone down thus losses were reduced.
  - II. The Company has started using ultrasonic technology for predictive maintenance of the machinery to reduce the down time hence to improve the overall plant efficiency.
  - III. Utilized the waste heat of the kiln into the Horizontal Dryer by using heat recovery duct with insulation and saved substantial amount of natural Gas.
  - IV. Insulated the Heat recovery ducts at kiln & dryer area by identifying the hot spots with the help of thermal imager.
  - V. Used High Efficacy LED Lights which reduced Power Consumption.
  - VI. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers in close loop with temperature sensors/pressure sensors/ultrasonic water level controllers which reduced power consumption & smoothen the process also.
  - VII. Small PLC timer used for the agitators to operate intermittently instead of continuous use. Reduced running by 40%.
  - VIII. Small PLC (LOGO) timer used for the Glaze Ball Mills to stop the mill in auto mode when the grinding time is over which saved the electricity improve efficiency of the process.
  - IX. Highly Energy efficient IE3 motors used in kilns & Horizontal Dryers to reduce electrical power consumption.
  - X. Low power loss capacitor with APFC relays used to maintain a good power factor at load end which reduce the voltage drop as well as the distribution losses.
  - XI. Replacement of bigger motor with smaller one after load analysis by using VFD saved more electricity.
  - XII. Solar Plant of the Company generated more than 2.88 million units in Kassar Plant & 1.27 million in Kadi Plant as solar power is a renewal energy so there is substantial reduction in emission of greenhouse gasses hence good for environment.
  - XIII. Installed helical type gear box by replacing worm gearbox for Stirrer of Feed tank which saves electricity.
  - XIV. Using VFD in Slip Transfer Pumps for Energy Savings.
  - XV. The Company has started using Briquette instead of Coal due to which there is a reduction in gas consumption.
  - XVI. At Kadi Plant, the Company has modified & replaced the main component of Sacmi Spray dryer to get more production with less fuel consumption.
  - XVII. The Company has provided a separate tank to collect the dust of cyclone of spray dryer to avoid the handling of dust through ball mill for power saving.
  - XVIII. The transparent roof sheets have been installed at different areas of the plant to get the benefit of sun light during the daytime for power saving.
  - XIX. The capital investment on energy conservation equipment's was ₹ 11.56 Lakhs during the financial year 2023-24 and the Annual Saving Impact is approximately 4.06 Lakhs Kwh Units.
- (b) Impact of measures (a) above for reduction of energy consumption consequent impact on cost of production of goods.

The measures indicated as per (a) above will result in reduction in every consumption/costs.

## TECHNOLOGY ABSORPTION

### A. Research and Development;

#### I. Specified areas of R&D

The Company continuously strives for innovation and development of new products. The Temp Shield floor tiles in lower thickness are developed after an extensive research. The SRI (solar reflective index) value achieved even with reduced thickness. It is a unique composition where the SRI value was obtained much higher than the ASTM specification.

We developed a special composition which is responsible for the slip shield property without affecting the hardness and design transparency in GVT and 605X605 Floor based on the overwhelming response of earlier introduced Slip Shield in 300X300. As the firing condition are different, it was required to modify the composition of top glaze to achieve the slip resistance property.

There are numbers of cost saving projects going on as a part of our continual effort towards cost optimization.

We have developed alternate cheaper frits to mitigate the continuous price Critical raw materials like Zinc and Zircon, developed alternate vendor for various clay and frits to get the benefit on cost and consistency. Reduced the body cost by introducing Granite sludge in GVT body.

The granite sludge has been introduced into other bodies as well which reduces the body cost. Alternate fuel for running the spray dryer is the need of the hour and we are in the process of developing various type of bio fuels. Some of the bio fuels already established are wooden scrap, Mustard Turi husk and groundnut husk. This has helped in significantly reducing the cost of operations. Replacing Chain stove with fluidized bed has also yielded substantial savings. 300X450mm high depth structured porcelain tile for wall tile elevation has been introduced with a grand success. 200X1000 mm strip was also introduced in market with some attractive designs. Another aesthetic product in size 200X200 mm was introduced targeting the high end customers of the Company.

#### II. Benefits derived as a result of above R&D Development

The Newly developed Slip Shield GVT tile has been accepted by Market. Also the Temp Shield tiles are well accepted since it has been developed in Wall, Floor and GVT body.

The improvement in processes through employee participation has resulted in the increase in the quality of the products and reduction in process loss.

The cost reduction through various initiatives like alternate vendor development, alternate composition of body & glaze, redesigning and changing the quality of carton boxes etc. resulted huge saving in cost part.

#### III. Future R & D Plans

The research and development division of the Company has always engaged themselves for development of new designs and variety of products to meet the high expectations of the customers. It endeavors to develop new products which are different in design, effects and sizes with cost optimization. Many innovative steps are being taken to improve the fuel efficiency.

#### IV. Expenditure on R & D

There was no major expenditure incurred to carry out the R&D when compared with the size of the turnover of the Company.

### B. Technology absorption, adaptation and innovation

The Company continues to fully adopt and keeps its R&D and technical staff fully abreast with the latest technologies and products globally. Employees attended various seminars, conferences to keep them updated and identify opportunities. The Company has not imported any technology during the last three years.

### C. Foreign Exchange Earnings and Outgo:

- (i) Foreign Exchange Earnings ₹ 5,787.14 Lakhs
- (ii) Foreign Exchange Outgo ₹ 820.22 Lakhs

**For and on behalf of the Board**

**Shreekant Somany**

Place: Noida

Date: 15 May, 2024

Chairman & Managing Director

DIN:00021423

## ANNEXURE – 6

Information as per Section 134 And Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2024.

### THE PERCENTAGE CHANGE IN REMUNERATION OF EACH DIRECTOR DURING THE FINANCIAL YEAR 2023-24 AND RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2023-24.

Name of the director	Title	% increase of remuneration in 2024 as compared to 2023	Ratio of remuneration of each Director to MRE
Mr. Shreekant Somany	Chairman & Managing Director	77.83%	147.11
Mr. Abhishek Somany	Managing Director & Chief Executive Officer	16.15%	147.11
Mr. Salil Singhal	Independent Director	32.73%	0.76
Mr. Ravinder Nath	Independent Director	44.90%	0.74
Mr. G. G. Trivedi	Non-Executive Non Independent Director	29.85%	0.90
Mr. Siddharath Bindra	Independent Director	32.73%	0.76
Mr. Rameshwar Singh Thakur	Independent Director	34.85%	0.92
Mrs. Rumjhum Chatterjee	Independent Director	44.23%	0.78
Mr. Vineet Agarwal	Independent Director	48.08%	0.80

MRE: Median Remuneration of Employees

### THE PERCENTAGE CHANGE IN REMUNERATION OF KEY MANAGERIAL PERSONNEL (OTHER THAN EXECUTIVE DIRECTORS) DURING THE FINANCIAL YEAR 2023-24

Name of the KMP	Title	% increase of remuneration in 2024 as compared to 2023
Mr. Amit Sahai*	Chief Executive Officer – Tile Business	Not applicable
Mr. Sailesh Raj Kedawat	Chief Financial Officer	6.40%
Mr. Ambrish Julka	Company Secretary and Compliance Officer	5.89%

\*Mr. Amit Sahai was appointed as Chief Executive Officer – Tile Business of the Company w.e.f 23 May, 2023.

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹ 4,82,278 and ₹ 4,03,766 in fiscal 2024 and fiscal 2023 respectively. The increase in MRE (excluding WTDs) in fiscal 2024 as compared to fiscal 2023 is 19.4 %.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 4,82,970/- and ₹ 4,03,886 in fiscal 2024 and fiscal 2023 respectively. The increase in MRE (including WTDs) in fiscal 2024 as compared to fiscal 2023 is 19.6%.

The number of Permanent employees on the rolls of the Company as of 31 March, 2024 and 31 March, 2023 were 1,953 and 1,957 respectively.

The aggregate remuneration of employees excluding WTD increased by 10.22% over the previous fiscal. The aggregate increase in salary for WTDs and other KMPs was 38.29% (on annualized basis) in fiscal 2024 over fiscal 2023. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

**Shreekant Somany**

Chairman & Managing Director

DIN:00021423

Place: Noida

Date: 15 May, 2024

## ANNEXURE – 7

**Top ten employees in terms of Remuneration drawn including the employees who were in receipt of remuneration exceeding ₹ 1.02 Crores per annum and were employed throughout the FY 2023-24 and employees who were employed for a part of the financial year and were in receipt of remuneration not less than ₹ 8.50 Lakhs per month;**

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The names and other particulars of top ten employees of the Company in terms of remuneration (CTC) in the below mentioned format;

For the full year 2023-24 or for Part of the Year

	Employee -1	Employee -2	Employee -3	Employee -4	Employee -5	Employee -6	Employee -7	Employee -8	Employee -9	Employee -10	Employee -11	Employee -12
Employee Name	Shreekant Somany	Abhishek Somany	Amit Sahai	Rahul Sharma	Sujit Kumar Mohanthy	Sailesh Raj Kedawat	Mayank Sharma	Amit Bhatnagar	Vishal Kakkar	Navneet JP Gaurh	Devendra Pal Singh	Ashavani Kumar Mani
Age (years)	75	52	57	49	48	50	53	47	48	47	52	49
Designation	Chairman & Managing Director	Managing Director & CEO	CEO - Tile Business	Senior Vice President	Senior Vice President	Chief Financial Officer	Senior Vice President	Assistant Vice President	Vice President	Sr. General Manager	Assistant Vice President	Vice President
Shares - Numbers and Percentage	1,15,887 and 0.28%	18,942 and 0.05%	0	0	207 and 0.00%	0	0	0	0	0	0	0
*Remuneration Received (₹ in Lakhs)	710.49	710.49	270.24	139.87	136.31	120.45	107.44	75.23	74.55	73.57	72.58	70.49
Qualifications	B.Sc	B.B.A	M.B.A.	PGDM Marketing	M.B.A.	C.A.	M.B.A.	M.B.A.	M.B.A.	M.B.A.	PGDBM	B. Tech Electronics & Telecommunication
Experience	53 years	29 years	35 years	27 years	28 years	25 years	31 years	26 years	24 years	24 years	30 years	33 years
Date of Commencement of Employment	01 September, 1992	09 March, 2001	06 July, 2018	03 May, 2019	14 February, 2001	26 September, 2022	22 February, 2018	07 July, 2010	18 September, 2020	20 February, 2006	01 July, 2016	28 January, 2011
Name of last Employment	Hindustan Sanitaryware & Industries Limited	Not Applicable	Snowcem Paints Private Ltd	Asian Granito India Limited	Sika Qualcrete Ltd	Mirc Electronics Ltd	Cello Plast	Havelles India Limited	HSIL	Kajaria Ceramics Limited	Asian Granito India Limited	Oracle Granito Ltd
Position Held	President	Not Applicable	CEO	Vice President	Sales Officer	Chief Financial Officer	Business Head	Manager	Assistant Vice President	General Manager	General Manager	General Manager

\*Remuneration includes=Gross Earning Salary + Perquisite +PF

### Note

- During the FY 2023-24, no employee was in receipt of remuneration exceeding the remuneration drawn by the Managing Director or Whole-Time Director of the Company.
- All above mentioned employees are on the rolls of the Company and nature of employment is as per the appointment letter given by the Company.
- Mr. Shreekant Somany is father of Mr. Abhishek Somany. Except this no employee as mentioned in above list, is relative of any Director of the Company.

## ANNEXURE – 8

### Details of ESOP for the FY 2023-24 as per the provisions of the Companies Act, 2013 & SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021:

- A. Relevant disclosures in terms the Accounting Standards (Ind-AS) 102** – The disclosure on 'Share Based Payments' has been made in Note No. 48 read with Note no. 2.11 of the Notes to the Standalone Financial Statements, forming part of the Annual Report of the Company for the FY 2023-24.
- B. Diluted Earnings Per Share ('EPS') pursuant to the issue of shares on exercise of options calculated in accordance with Indian Accounting Standards (Ind-AS) 33** – Diluted Earnings Per Share is ₹ 24.61.
- C. Details related to ESOP Scheme(s):**

**(i) The description of the ESOP(s) existed during the year, including the following general terms and conditions of such ESOP(s):**

Sl. No	Particulars	Somany Ceramics Employee Stock Option Plan 2021 (ESOP 2021)	Somany Ceramics Employee Stock Option Plan 2023 (ESOP 2023)
(a)	Date of shareholders' approval	07 April, 2022	25 August, 2023
(b)	Total number of options approved under the scheme	4,23,794 (Four Lakhs twenty three thousand seven hundred ninety four) Options	12,74,226 (Twelve Lakhs Seventy Four Thousand Two Hundred and Twenty Six) Options
(c)	Vesting requirements	Vesting of the options shall take place over a maximum period of 7 years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organizational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest.  The minimum vesting period will be at least 1 (One) year from the date of grant. Further in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.	Vesting of the options shall take place over a maximum period of 7 years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organizational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest.  The minimum vesting period will be at least 1 (One) year from the date of grant. Further in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.
(d)	Exercise price or pricing formula	The exercise price shall be decided by the Nomination & Remuneration Committee in line with the SEBI Regulations. The Exercise price shall not exceed the fair market value as on the date of Grant and shall not be below the Face Value of the share.	The exercise price shall be decided by the Nomination & Remuneration Committee in line with the SEBI Regulations. The Exercise price shall not exceed the fair market value as on the date of Grant and shall not be below the Face Value of the share.



Sl. No	Particulars	Somany Ceramics Employee Stock Option Plan 2021 (ESOP 2021)	Somany Ceramics Employee Stock Option Plan 2023 (ESOP 2023)
(e)	Maximum term of options granted	Vesting of the options shall take place over a maximum period of 7 years from the date of grant.	Vesting of the options shall take place over a maximum period of 7 years from the date of grant.
(f)	Source of shares (primary, secondary or combination)	The Plan will involve issue of new shares by the Company and will not involve any secondary acquisition.	The Plan will involve issue of new shares by the Company and will not involve any secondary acquisition.
(g)	Variation in terms of options	<p>The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof provided, that no amendment, alteration or termination in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.</p> <p>The notice for passing a special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.</p> <p>Without prejudice to the above, the Board of Directors, may without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.</p> <p>During the year, no amendment/ modification/ variation has been introduced in terms of options.</p>	<p>The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof provided, that no amendment, alteration or termination in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee.</p> <p>The notice for passing a special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.</p> <p>Without prejudice to the above, the Board of Directors, may without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.</p> <p>During the year, no amendment/ modification/ variation has been introduced in terms of options.</p>

(ii) Method used to account for ESOP - Intrinsic or fair value: **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) Options Movement during the year (For each ESOS):

Sr. No.	Particulars	ESOP 2021		ESOP 2023		
		Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
a)	Number of Options outstanding at the beginning of the year	3,15,296	1,01,107	NIL	NIL	NIL
b)	Number of Options granted during the year	NIL	NIL	93,411	33,165	10,000
c)	Number of Options forfeited / lapsed during the year	16,329	15,003	2,839	NIL	NIL
d)	Number of Options vested during the year	Nil	Nil	Nil	Nil	Nil
e)	Number of Options exercised during the Year	Nil	Nil	Nil	Nil	Nil
f)	Number of shares arising as a result of exercise of options	Nil	Nil	Nil	Nil	Nil
g)	Money realized by exercise of options (₹), if scheme is implemented directly by the Company	Nil	Nil	Nil	Nil	Nil
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
i)	Number of Options outstanding at the end of the Year i.e. 31 March, 2024	2,98,967	86,104	90,572	33,165	10,000
j)	Number of Options exercisable at the end of the year i.e. 31 March, 2024	Nil	Nil	Nil	Nil	Nil
k)	Exercise price per option (Amount in ₹)	647.85	536.05	647.85	493.46	493.46

(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. 48 (c) of the Notes to the Standalone Financial Statements.

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Sr. No.	Name and Designation	Number of Option granted (ESOP 2021)		Number of Option granted (ESOP 2023)		
		Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
1.	Mr. Amit Sahai	-	-	-	-	10,000
2.	Mr. Sailesh Raj Kedawat	-	-	19,940	-	-

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

Sr. No.	Name and Designation	Number of Option granted (ESOP 2021)		Number of Option granted (ESOP 2023)		
		Grant-1	Grant-1	Grant-1	Grant-2	Grant-3
1.	Mr. Rahul Sharma	-	-	-	7,607	-

(c) 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: **Nil**

- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

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. Details for which are as under:

- (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

Particulars	ESOP 2021		ESOP 2023		
	Grant 1	Grant 2	Grant 1	Grant 2	Grant 3
Grant Date	29 April, 2022	07 February, 2023	08 November, 2023	08 November, 2023	08 November, 2023
Exercise price	647.85	536.05	647.85	493.46	493.46
Weighted Average Fair value	329.74	270.33	350.98	381.85	357.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%	7.20%-7.23%	7.20%-7.23%	7.20%
Expected life	5.5-8.5 years	5.5-8.5 years	5.5-8.5 years	4.5-7.5 years	4.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%	41.03%-46.37%	41.56%-46.37%	46.37%
Expected dividends	0.88%	0.85%	0.65%	0.65%	0.65%
The price of the underlying shares in market at the time of Option grant	647.85	536.05	657.95	657.95	657.95

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;  
Black Scholes Option Pricing Model (refer Note number 48 of the notes to Standalone Financial Statements).
- (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.

Please refer Note number 48 of the notes to Standalone Financial Statements.

**Disclosures in respect of grants made in three years prior to IPO under each SAR scheme:**

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options: Not Applicable

**D. Details related to ESPS:** Not Applicable

**E. Details related to SAR:** Not Applicable

**F. Details related to GEBS/RBS:** Not Applicable

**G. Details related to Trust:** Not Applicable

## ANNEXURE – 9

### Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members of Somany Ceramics Limited.  
2, Red Cross Place,  
Kolkata – 700001

- The Corporate Governance Report prepared by Somany Ceramics Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the SEBI (LODR) Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2024. This Certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

#### MANAGEMENT'S RESPONSIBILITY

- The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, issued by the Securities and Exchange Board of India.

#### AUDITOR'S RESPONSIBILITY

- Pursuant to the requirements of the SEBI (LODR) Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the SEBI (LODR) Regulations referred to in paragraph 3 above.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or

Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### OPINION

- Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 1 above.

#### OTHER MATTERS AND RESTRICTION ON USE

- This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI (LODR) Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No.: 302049E

**Bimal Kumar Sipani**

Partner

Place: Noida (Delhi-NCR)

Date: 15 May, 2024

Membership Number: 088926

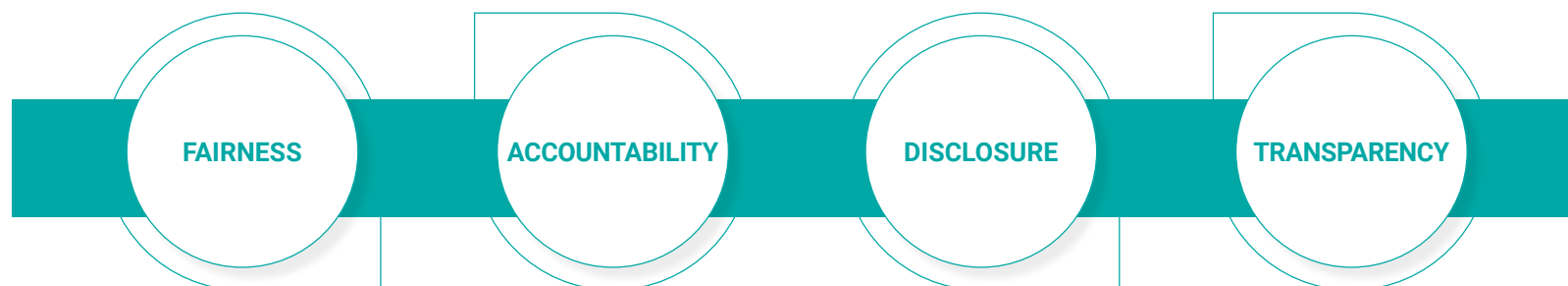
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# Corporate Governance Report

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

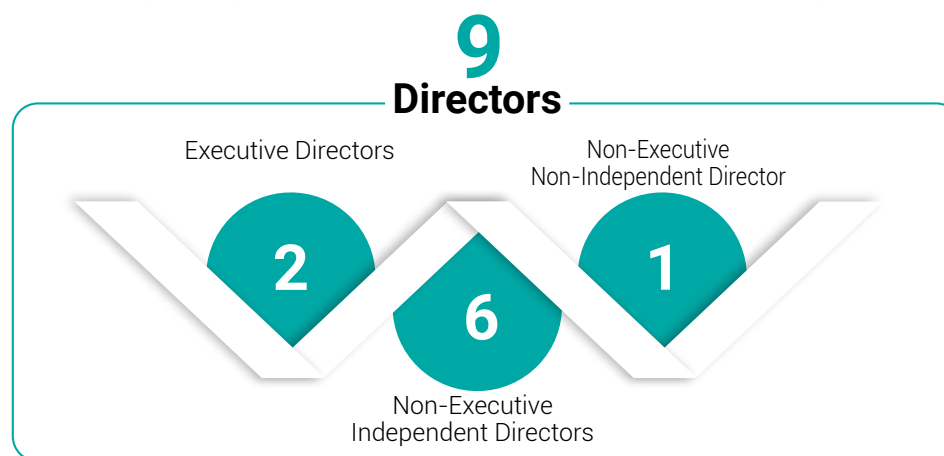
Corporate Governance seeks to create and nurture strong bonds with stakeholders to optimize their values. The Company's visionary founder had laid the foundation for good governance and made it an integral part of the Company's philosophy which has characteristics of fairness, accountability, disclosure and transparency. This has enabled your Company to achieve sustainable growth on its journey to continue success, thereby meeting the expectations of the stakeholders. The Company places emphasis on business ethics and responsible conduct and to disclosures of operating performance and other key events on timely basis to its shareholders and the stakeholders. The Company views its role as trustees of its shareholders, stakeholders and society at large.



## 2. BOARD OF DIRECTORS

### Composition of the Board

The Composition of the Board is in conformity with the provisions of Companies Act, 2013 ("the Act") read with the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "(SEBI (LODR) Regulations, 2015)", having an optimum combination of Executive Directors and Non-Executive Directors including Woman Director and Independent Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on 31 March, 2024, the Company's Board comprised of Nine (9) Directors, out of which Two (2) are Executive Directors who are Managing Directors, Six (6) are Non-Executive Independent Directors (including one (1) is Woman Director) and One (1) is Non-Executive Non-Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company, other than sitting fees and commission.



## Category and Attendance of Directors

✓ = Yes, ✗ = No

Director	Category	No. of Board Meetings held	No. of Board Meetings attended	Attended last AGM held on 25 August, 2023	Number of Directorships in other Companies(\$)	No. of Committee positions held in other Companies@		No. of Shares held
						Chairman	Member	
Mr. Shreekant Somany (DIN: 00021423)	P	5	5	✓	4	2	3	115887
Mr. Abhishek Somany (DIN: 00021448)	P	5	5	✓	1	-	-	1874575*
Mr. Salil Singhal (DIN: 00006629)	I	5	2	✗	4	-	1	-
Mr. Ravinder Nath (DIN: 00062186)	I	5	3	✓	1	1	1	-
Mr. Siddharath Bindra (DIN:01680498)	I	5	3	✗	1	-	-	-
Mr. Rameshwar Singh Thakur (DIN: 00020126)	I	5	5	✗	1	-	-	-
Mrs. Rumjhum Chatterjee (DIN: 00283824)	I	5	5	✓	1	-	-	-
Mr. Vineet Agarwal (DIN: 00380300)	I	5	4	✗	5	-	4	2034
Mr. Ghanshyam Girdharbhai Trivedi (DIN: 00021470)	N	5	4	✓	1	-	-	2000

Category: P = Promoter and Executive Director, I = Non-Executive Independent Director, N = Non-Executive Non-Independent Director.

(\$) Excludes Directorships in Indian Private Limited Companies other than subsidiaries of Public Limited Companies and memberships of various Chambers and other non-corporate organizations.

@Includes the membership/chairmanship in Audit Committee and Stakeholders Relationship Committee only of other Public Limited Companies.

\*Out of 1874575 equity shares 1855633 equity shares are held as Karta of Abhishek Somany (HUF).

Mr. Manit Rastogi (DIN: 00370998) has been appointed as Additional Director (Non-Executive Independent Director) w.e.f. 15 May, 2024.

Name of Director	Other Listed entities where the person is a Director	Category of Directorship
Mr. Shreekant Somany	Shree Cement Limited	Non-Executive Independent Director
	JK Tyre & Industries Limited	Non-Executive Independent Director
Mr. Abhishek Somany	-	-
Mr. Salil Singhal	Indraprastha Medical Corporation Limited	Non-Executive Independent Director
Mr. Ravinder Nath	Voith Paper Fabrics India Limited	Non-Executive Non-Independent Director
Mr. Siddharath Bindra	-	-
Mr. Rameshwar Singh Thakur	-	-
Mr. Vineet Agarwal	Transport Corporation of India Limited.	Executive Director - Managing Director
	TCI Express Limited	Non-Executive Non-Independent Director
Mrs. Rumjhum Chatterjee	-	-
Mr. Ghanshyam Girdharbhai Trivedi	-	-

None of the Directors are the member of more than ten Committees or Chairman of more than five committees across all the Public Limited Companies in which he/she is a Director. For the purpose of determination of aforesaid limits, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.

#### Key Board Qualification:

The Company is in the business of manufacturing and trading of Tiles, Sanitaryware and Bath Fittings and required various types of skills and expertise to run the business which includes the technical skills related to the business of the Company or the skills and expertise which help the business to grow in the present market situation. The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively are as follows;

Strategy, Corporate Governance, Sales & Marketing, Communication, General Management, Business Development, Corporate Laws, Laws relating to Commerce and Industry, Human Resource Management, Change Management, Women Empowerment and Capacity Building Experience, Financial Skills, Business Planning, Product Pricing, Operation, etc.

The Board Members have the skills and expertise as required to run the business in a way which benefits the stakeholders. The Board of the Company comprises of Executive as well as Non-Executive Directors, Independent Directors (including Woman Director) who possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, human resource management, sales, marketing administration, research, corporate governance, technical operations and other disciplines related to the Company's business.

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a Member's name does not necessarily mean the Member does not possess the corresponding qualification or skill.

Name of Directors	Area of Expertize							
	Financial	Sales & Marketing	Law	Management	Technology	Governance	Diversity	Research
Mr. Shreekant Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Abhishek Somany	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Salil Singhal	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ravinder Nath	✓	✓	✓	✓	✓	✓	✓	✓
Mr .Vineet Agarwal	✓	✓	✓	✓	-	✓	✓	✓
Mr. Siddharath Bindra	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ghanshyam Girdharbhai Trivedi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rameshwar Singh Thakur	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Rumjhum Chatterjee	✓	✓	✓	✓	-	✓	✓	✓

#### INTER-SE RELATIONSHIP OF DIRECTORS

Mr. Shreekant Somany, Chairman & Managing Director of the Company is the father of Mr. Abhishek Somany, Managing Director & CEO of the Company. None of the other Directors are related to any other Director on the Board.

#### BOARD FUNCTIONS

Apart from review and consideration of matters referred to under Regulation 17 of the SEBI (LODR) Regulations, 2015, the Board also undertakes the following:

1. Laying down the corporate philosophy and the mission of the Company;
2. Formulating the strategic business plans;
3. Setting standard for ethical behavior;
4. Compliance with all the rules and regulations;
5. Informing shareholders of the various developments within the Company.

### MEETING OF THE BOARD OF DIRECTORS

There were 5 (Five) Board meetings held during the year 2023-24 i.e. on 23 May, 2023, 10 August, 2023, 26 October, 2023, 08 November, 2023 and 01 February, 2024.

### 3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior management personnel of the Company after suitably incorporating duties of Independent Directors as laid down under Schedule IV to the Companies Act, 2013 and the same is being abided by all on annual basis in terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015. A declaration to this effect, duly signed by Managing Director & CEO was placed before the Board and is enclosed forming part of this report. The Code of Conduct framed by the Company is posted on the Company's website i.e. [www.somanyceramics.com](http://www.somanyceramics.com)

### 4. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CEO and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement

or omit any material fact or contain any statements that might be misleading and those statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations. The said certificate is annexed and forms part of this Annual Report.

### 5. SENIOR MANAGEMENT

"Senior Management" shall mean the officers and personnel of the Company who are members of the core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

#### Particulars of Senior Management Personnel:

Name of Senior Management Personnel	Category
Mr. Shrivatsa Somany	Head – Bathware Business
Mr. Sailesh Raj Kedawat	Chief Financial Officer
Mr. Biju Sebastian	Head – Human Resource
Mr. Ambrish Julka	Company Secretary

### 6. COMMITTEES OF THE BOARD

To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. The Board has constituted the following Committees of Directors to look into and monitor the matters falling within their terms of reference:







## AUDIT COMMITTEE

### Composition

As at 31 March, 2024, the Audit Committee comprises of Four (4) members, with majority of Independent Directors and as such the Committee meets the constitution requirements in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The constitution of the Audit Committee comprises of Mr. Rameshwar Singh Thakur (Non-Executive Independent Director), Chairman of the Committee and Mr. Salil Singhal (Non-Executive Independent Director), Mr. Vineet Agarwal (Non-Executive Independent Director), Mr. Ghanshyam Girdharbhai Trivedi (Non-Executive Non-Independent Director) are the other members of the Audit Committee.

All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Company Secretary of the Company acts as the Secretary to the Committee. Minutes of each Audit Committee Meeting are placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas as stipulated under Part C of Schedule II of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors.

### Terms of Reference

Brief description of the terms of reference are :-

1. Overseeing the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) 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 sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. 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, and making appropriate recommendations to the board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transaction.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. 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.

16. 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.
17. 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.
18. Reviewing the functioning of Whistle Blower Mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
21. To review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given;
22. To review the financial statements, in particular, the investments made by the unlisted subsidiary
23. To take note of an annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditors of the listed entity, and place it before the Audit Committee till such time the full money raised through the issue has been fully utilized;
24. To take note of following indications made by Chief Executive Officer or Chief Financial Officer of the Company, if any;
  - (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) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
25. To review the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹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.
26. To review the following statement(s) on a quarterly basis for public issue, rights issue, preferential issue etc.
  - (a) indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable;
  - (b) indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilization of funds.
27. The Audit Committee shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
28. Carrying out any other function as mentioned in the terms of reference of the Audit Committee as may be specified under the provisions of the Companies Act, 2013 and/or SEBI (LODR) Regulations, 2015 and such other provisions, as may be applicable.

#### Invitees to the Audit Committee Meetings

Both the Statutory and Internal Auditors of the Company are regular invitees to the Audit Committee meetings to brief the Committee members on the respective reports. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Managing Director & CEO, Chief Financial Officer and other departmental heads.

#### Frequency of Meetings

During the financial year 2023-24, 5 (Five) Audit Committee meetings were held on 23 May, 2023, 10 August, 2023, 25 August, 2023, 08 November, 2023, and 01 February, 2024.

The maximum gap between any two meetings was less than 120 days.

The attendance of the Audit Committee Meetings is given below:

Name of Member	No. of Meetings held during the tenure of the member		No. of Meetings attended
Mr. Rameshwar Singh Thakur (Chairman)		5	5
Mr. Vineet Agarwal (Member)		5	3
Mr. Salil Singhal (Member)		5	3
Mr. Ghanshyam Girdharbhai Trivedi (Member)		5	5

Mr. Ghanshyam Girdharbhai Trivedi attended the last Annual General Meeting on behalf of Mr. Rameshwar Singh Thakur, Chairman of Audit Committee, duly authorized by him, to answer shareholders queries.



#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted by the Board in terms of section 178 of the Companies Act, 2013 and Regulations 20 of SEBI (LODR) Regulations, 2015. The Company has a Stakeholder's Relationship Committee to oversee redressal of shareholders'/Investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. Rameshwar Singh Thakur, Independent Director of the Company is the Chairman of the Committee and other members of the Committee are Mr. Shreekant Somany, Chairman & Managing Director, Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non-Independent Director and Mr. Siddharath Bindra, Independent Director. Mr. Amrish Julka, Sr. General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. During the financial year under review, 3 (Three) meetings of the Committee were held on 23 May, 2023, 08 November, 2023 and 01 February, 2024. During the year under review, 5 complaints have been received which were duly addressed therefore nil complaints are pending as on 31 March, 2024.

The attendance of the Stakeholders Relationship Committee is given below:

Name of Member	No. of Meetings held during the tenure of the member		No. of Meetings attended
Mr. Rameshwar Singh Thakur (Chairman)		3	3
Mr. Shreekant Somany (Member)		3	3
Mr. Siddharath Bindra (Member)		3	1
Mr. Ghanshyam Girdharbhai Trivedi (Member)		3	3

Mr. Ghanshyam Girdharbhai Trivedi attended the last Annual General Meeting on behalf of Mr. Rameshwar Singh Thakur, Chairman of Stakeholders Relationship Committee, duly authorized by him, to answer shareholders queries.



#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted by the Board in terms of section 178 of the Companies Act, 2013 Regulations 19 of SEBI (LODR) Regulations, 2015. The Company has a Nomination and Remuneration Committee comprising of Four (4) Non-Executive Directors, of which more than half are Independent Directors. Mr. Salil Singhal, Non-Executive Independent Director is the Chairman of the Committee. Mr. Siddharath Bindra, Non-Executive Independent Director, Mr. Rameshwar Singh Thakur, Non-Executive Independent Director and Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non-Independent Director are other members of the Committee.

During the year 2023-24, Three (3) Committee meetings were held i.e. on 23 May, 2023, 10 August, 2023 and 08 November, 2023.

The attendance of the Nomination and Remuneration Committee Meetings is given below:

Name of Member	No. of Meetings held during the tenure of the member		No. of Meetings attended
Mr. Salil Singhal (Chairman)	III	3	2
Mr. Siddharath Bindra (Member)	III	3	1
Mr. Ghanshyam Girdharbhai Trivedi (Member)	III	3	3
Mr. Rameshwar Singh Thakur (Member)	III	3	3

Mr. Ghanshyam Girdharbhai Trivedi attended the last Annual General Meeting on behalf of Mr. Salil Singhal, Chairman of Nomination and Remuneration Committee Meetings, duly authorized by him, to answer shareholders queries.

#### Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015, and Section 178 of the Companies Act, 2013, that inter-alia includes:

To formulate 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. The Committee is required to formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors and is responsible to devise a policy on diversity of Board of Directors.

To identify the 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, removal and all remuneration, in whatever form, payable to senior management.

To determine 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.

To specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

#### PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

The Independent Directors and the Board are evaluated on the basis of the following criteria's i.e. whether they:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bonafide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors;
- Strive to attend and participate constructively and actively in the committees of the Board in which they are Chairpersons or Members;
- Strive to attend the general meetings of the Company;

- k) Keep themselves well informed about the Company and the external environment in which it operates;
- l) Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/Criteria met by them, as given by the Board from time to time. Details of the Remuneration paid/payable to Directors for the Financial Year 2023-24 are as follows:

(In Lakhs)

Directors	Salary & Perquisites (₹)*	Commission for 2023-24 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany**	300.19	410.30	-	710.49
Mr. Abhishek Somany**	504.24	206.25	-	710.49
Mr. Salil Singhal	-	3.00	0.65	3.65
Mr. Ravinder Nath	-	3.00	0.55	3.55
Mr. Siddharath Bindra	-	3.00	0.65	3.65
Mr. Ghanshyam Girdharbhai Trivedi	-	3.00	1.35	4.35
Mr. Rameshwar Singh Thakur	-	3.00	1.45	4.45
Mrs. Rumjhum Chatterjee	-	3.00	0.75	3.75
Mr. Vineet Agarwal	-	3.00	0.85	3.85

\*The remuneration includes Company's contribution to Provided Fund and leave encashment, the same is being paid in accordance with Schedule V to the Companies Act, 2013. The value of perquisites has been calculated in accordance with the rules framed under the Income Tax Act, 1961.

\*\*Managing Directors are not entitled for sitting fee.

The services of Chairman & Managing Director and Managing Director & CEO may be terminated by giving three calendar months' notice or alternatively three months' salary in lieu of notice. No severance fees is payable to them under their respective service agreements entered into by them with the Company.

Apart from sitting fees, the Non-Executive Directors of the Company are entitled for commission not exceeding 1% of net profits of the Company for each financial year in terms of resolution passed by the Shareholders of the Company at their 54<sup>th</sup> Annual General Meeting held on 23 September, 2022 for a period of five years commencing from 01 April, 2023 up to 31 March, 2028. The Nomination and Remuneration Committee recommends to the Board, the quantum of commission for each Director.

Apart from the above remuneration details no other kind of fixed components, performance link incentives are given to the Directors.

There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.



#### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Your Company has a CSR Committee, in terms of Section 135 of the Companies Act, 2013. The Chairman of the Committee is Mr. Abhishek Somany, Managing Director & CEO of the Company. Mr. Salil Singhal, Mr. Ravinder Nath and Mr. Siddharath Bindra, Independent Directors of the Company and Mr. Ghanshyam Girdharbhai Trivedi, Non-executive Non-Independent Director of the Company are the other members of the Committee.

During the year ended 31 March, 2024, Four (4) Committee meetings were held i.e. on 23 May, 2023, 10 August, 2023, 08 November, 2023 and 01 February, 2024, details of which are as under:

Name of Member	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany (Chairman)		4
Mr. Salil Singhal (Member)		4
Mr. Ravinder Nath (Member)		4
Mr. Siddharath Bindra (Member)		4
Mr. Ghanshyam Girdharbhai Trivedi (Member)		4



### RISK MANAGEMENT COMMITTEE

The Risk Management Committee is constituted by the Board in terms of Regulation 21 of SEBI (LODR) Regulations, 2015. The Company has a Risk Management Committee comprising of Mr. Abhishek Somany, Managing Director & CEO, is the Chairman of the Committee, Mr. Rameshwar Singh Thakur, Non-Executive Independent Director, Mr. Vineet Agarwal, Non-Executive Independent Director, Mr. Sailesh Raj Kedawat, Chief Financial Officer and Mr. Ashavani Kumar Mani, Assistant Vice President are the other members of the Committee.

During the year 2023-24, Three (3) Committee meetings were held i.e. on 23 May, 2023, 08 November, 2023 and 01 February, 2024.

The attendance of the Risk Management Committee Meetings is given below:

Name of Member	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany (Chairman)		3
Mr. Rameshwar Singh Thakur (Member)		3
Mr. Vineet Agarwal (Member)		3
Mr. Sailesh Raj Kedawat (Member)		3
Mr. Ashavani Kumar Mani (Member)		3

### Terms of Reference

Terms of reference of Risk Management Committee are as follows:

- To formulate a detailed risk management policy which shall include:
  - 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.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor, evaluate risks associated with the business of the Company and ensuring the cyber security 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 periodically 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.



### SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. Shreekant Somany, Chairman, Mr. Abhishek Somany and Mr. Siddharath Bindra, Members of the Committee. The Committee met 12 (Twelve) times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, total of 4,104 shares were transmitted and dispatched within the stipulated time period specified under the laws, documents for which found valid in all respects.



## COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters required to be resolved between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman & Managing Director is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director & CEO, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors are the other members of the Committee.

During the year ended 31 March, 2024, two Committee meetings were held on 24 May, 2023 and 25 October, 2023, which were attended by the members as under:

Name of Member	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Shreekant Somany (Chairman)	II	2
Mr. Abhishek Somany (Member)	II	2
Mr. Salil Singhal (Member)	II	1
Mr. Siddharath Bindra (Member)	II	2

### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 29 March, 2024 and attended by all the Independent Directors of the Company without the presence of Non-Independent Directors and members of the management and reviewed the performance of Non-Independent Directors and the Board as a whole and chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between the Management of the Company and the Board which is necessary to effectively and reasonably perform and discharge their duties.

### 8. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programs at the time

of their appointment as Director. On appointment, the concerned Director is issued a Letter of Appointment setting out the details as specified in the Schedule IV of the Companies Act, 2013. Each newly appointed Independent Director is taken through a formal induction program giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Directors are briefed about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Business and Functional heads. The details of familiarization programs for Independent Directors are uploaded on the website of the Company, i.e. [www.somanyceramics.com](http://www.somanyceramics.com) at the weblink: [somanyceramics.com/investor-relation/training-to-directors](http://somanyceramics.com/investor-relation/training-to-directors)

### 9. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board has carried out evaluation of its own performance, performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement etc.

### 10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud/misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. [www.somanyceramics.com](http://www.somanyceramics.com) at the weblink: [vigil\\_mechanism\\_whistle\\_blower\\_policy\\_revised\\_16-06-2021.pdf](http://vigil_mechanism_whistle_blower_policy_revised_16-06-2021.pdf) (d3joggurz1vobr.cloudfront.net). It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

## 11. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of the and its subsidiaries in the immediately preceding accounting year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee meeting and Board meeting of the Company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors along with the agenda for the Board Meetings of the Company. The Board has approved and adopted a policy for determining Material Subsidiaries which has been uploaded on the Company's website i.e. [www.somanyceramics.com](http://www.somanyceramics.com) and at the web link i.e. [policy\\_on\\_material\\_subsiadiaries\\_revised\\_\\_1.pdf](https://d3joggurz1vobr.cloudfront.net/policy_on_material_subsiadiaries_revised__1.pdf) (d3joggurz1vobr.cloudfront.net)

## 12. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND-AS 24) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. [www.somanyceramics.com](http://www.somanyceramics.com) at the web link i.e. [rpt\\_policy\\_w.pdf](https://d3joggurz1vobr.cloudfront.net/rpt_policy_w.pdf) (d3joggurz1vobr.cloudfront.net)

Omnibus approval was granted by Audit Committee for transactions contemplated to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, wherever, required.

## 13. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in the last 3 years are as under:

### Special Resolutions passed in the previous three Annual General Meetings

#### Date of Meeting held

25 August, 2023

#### Location and Time of Meeting

Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 11:30 A.M. (IST)

- Re-appointment of Mr. Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a period of 5 (Five) consecutive years, commencing from 01 September, 2023 till 31 August, 2028.
- Re-appointment of Mr. Vineet Agarwal (DIN: 00380300) as an Independent Director for his second term of five (5) consecutive years.
- Approval for adoption of Somany Ceramics Employee Stock Option Plan 2023 and grant of employee stock options to the Eligible Employees/Directors of the Company thereunder.
- Approval for adoption of Somany Ceramics Employee Stock Option Plan 2023 and grant of stock options to the Eligible Employees/Directors of group companies including Subsidiary or Associate Companies under the Plan.
- Authorize borrowings by way of issuance of Non-Convertible Debentures/Bonds/Other Similar Instruments.



**Date of Meeting held**

23 September, 2022

**Location and Time of Meeting**

Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 11:00 A.M. (IST)

- To re-appoint Mr. Abhishek Somany (DIN: 00021448) as the Managing Director & Chief Executive Officer of the Company for a period of 3 (Three) consecutive years, commencing from 01 June, 2023 till 31 May, 2026.
- Remuneration by way of Commission to Non-Executive Directors.
- Re-appointment of Mr. Rameshwar Singh Thakur (DIN: 00020126) as an Independent Director for his second term of five (5) consecutive years.
- Re-appointment of Mrs. Rumjhum Chatterjee (DIN: 00283824) as an Independent Director for her second term of five (5) consecutive years.
- Authorize borrowings by way of issuance of Non-Convertible Debentures/Bonds/Other similar Instruments.

**Date of Meeting held**

15 September, 2021

**Location and Time of Meeting**

Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 12 Noon (IST)

- Approval of shareholders for continuation of directorship of Mr. Ghanshyam Girdharbhai Trivedi (DIN: 00021470) after attaining age of 75 years as a Non-Executive Non-Independent Director of the Company.
- Authorize borrowings by way of Issuance of Non-Convertible Debentures/Bonds/Other similar Instruments.

**Postal Ballot**

## A. Details of resolutions passed through Postal Ballot:

The Company sent Postal Ballot notice dated 26 October, 2023 to the members for seeking their approval through Postal Ballot for passing the following Special resolutions:

Resolution No. 1: Approval for Buy-Back of Fully Paid-Up Equity Shares of the Company.

The Company had appointed Mr. Akshit Kumar Jangid (FCS 11285), Partner, Pinchaa & Co., Company Secretaries as the scrutinizer for conducting the Postal Ballot process. Accordingly, the Postal Ballot was conducted by the scrutinizer and a report was submitted to the Chairperson. The results of the voting conducted through Postal Ballot, declared on 4 December, 2023, are as under:

Resolution No. 1

Manner of Voting	Votes in favour of the Resolution		Votes against the resolution		Invalid (No. of Shares)
	Number of Shares	Percentage of valid votes cast	Number of Shares	Percentage of valid votes cast	
Postal Ballot through Remote e-voting	3,41,22,770	99.95%	18,454	0.05%	-
<b>Total</b>	<b>3,41,22,770</b>	<b>99.95%</b>	<b>18,454</b>	<b>0.05%</b>	<b>-</b>

#### B. Procedure of Postal Ballot:

The aforesaid Postal Ballot was conducted by the Company as per the provisions of pursuant to Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (the "Rules") read with General Circular Nos. 14/2020 dated 08 April, 2020, 17/2020 dated 13 April, 2020, 22/2020 dated 15 June, 2020, 33/2020 dated 28 September, 2020, 39/2020 dated 31 December, 2020, 10/2021 dated 23 June, 2021, 20/2021 dated 08 December, 2021, 03/2022 dated 05 May, 2022, 11/2022 dated 28 December, 2022 and 09/2023 dated 25 September, 2023, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), Securities and Exchange Board of India Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05 January, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07 October, 2023 ("SEBI Circulars"), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended time to time), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") and pursuant to other applicable laws and regulations.

As on the date of this report, there is no special resolution which is proposed to be passed through Postal Ballot.

### 14. DISCLOSURES

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence the question of imposition of penalties or strictures on the Company by the Stock Exchanges or SEBI or any statutory authority, does not arise.

The Company complies with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under section 149(6) of the Act and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

There was no materially significant related party transaction which may have potential conflict with the Interest of the Company at large. During the year under review, no employee of the Company has been denied access to the Audit Committee in respect of suspected fraud or error, if any, under the vigil mechanism adopted by the Board.

The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management and also adopted a Risk Management Policy.

### 15. DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements prescribed by SEBI (LODR) Regulations, 2015 and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. Company's financial statements are unmodified and Company continues to adopt best practices to ensure the regime of unmodified opinion.
2. The reports of Internal Auditor are placed directly to the Audit Committee.

### 16. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in the Financial Express (English Edition) New Delhi, Kolkata & Mumbai and Jansatta, New Delhi (Hindi Edition), and Ekdin (Kolkata) (Bengali Edition) newspapers. The results of the Company are submitted to the National Stock Exchange of India Limited and BSE Limited in accordance with the SEBI (LODR) Regulations, 2015 and posted on its website: [www.somanyceramics.com](http://www.somanyceramics.com).

The official news releases/presentations made to Institutional investors/analysts are available at website of Company i.e. [www.somanyceramics.com](http://www.somanyceramics.com) at the web link at <https://www.somanyceramics.com/investor-relation>. The Company interact with their shareholders through various means of communication i.e. Print Media, Company's website, Annual Report etc.

## 17. GENERAL SHAREHOLDER'S INFORMATION



### Registered Office:



2, Red Cross Place, Kolkata – 700 001



Phone: 033-22487406/5913,



Email: [corporateaffairs@somanyceramics.com](mailto:corporateaffairs@somanyceramics.com)



### Plant locations

1.



V & P.O Kassar, Bahadurgarh Distt. Jhajjar, Haryana – 124507



Phone: 01276-223300



Email: [diwakar.bishnoi@somanyceramics.com](mailto:diwakar.bishnoi@somanyceramics.com)

2.



GIDC Industrial Area, Distt. Mehsana, Kadi, Gujarat – 382715



Ph : 02764-242153/54,



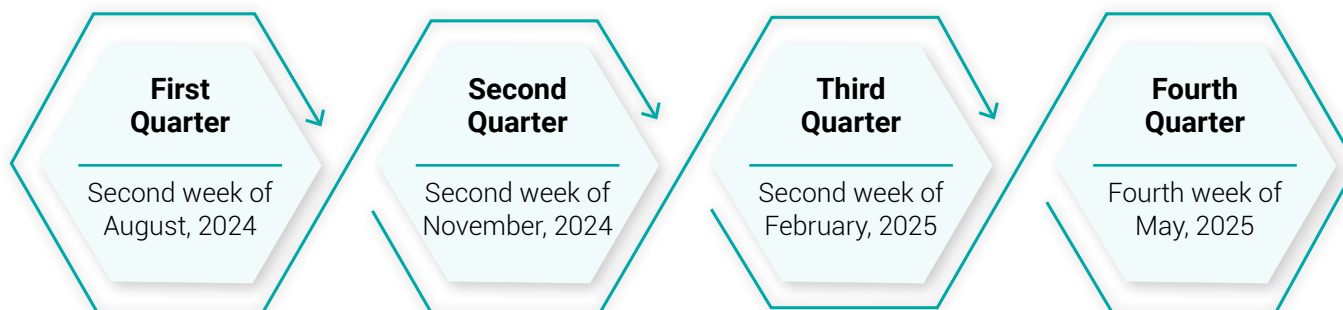
Email: [sandeep.suthar@somanyceramics.com](mailto:sandeep.suthar@somanyceramics.com)

## 18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 56<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the 12 August, 2024 at 11:30 A.M. through Video Conferencing or Other Audio Visual Means.

## 19. FINANCIAL CALENDAR: APRIL 1 TO MARCH 31

Tentative Financial Reporting for 2024-25 is as follows:



## 20. DIVIDEND AND BOOK CLOSURE DATE

The Board of Directors of the Company has recommended a dividend of ₹ 3/- per equity share of ₹ 2/- each for the year ended 31 March, 2024 subject to the approval of the shareholders at the 56<sup>th</sup> Annual General Meeting of the Company and if approved, the amount of dividend will be paid to the eligible shareholders on or before 10 September, 2024.

The Share Transfer Books shall remain closed from 6 August, 2024 to 12 August, 2024.

## 21. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2024-25.

### National Stock Exchange of India Limited (NSE)

"Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Trading Symbol :- SOMANYCERA

### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai – 400 001  
Scrip Code : 531548  
Demat ISIN Number for NSDL and CDSL: INE 355A01028

### Market Price Data: High and Low for the period from 01 April, 2023 to 31 March, 2024

No. of Equity Shares	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-23	538.75	465.95	17,21,969	538.45	466	4,48,418
May-23	655	520.1	16,37,569	652.5	515	1,21,627
Jun-23	724.4	634.05	15,13,658	724	607.05	2,03,447
Jul-23	819	685.05	24,12,749	818	684.7	2,44,424
Aug-23	770	640.1	20,24,608	770	641.9	3,76,758
Sep-23	761.3	682.05	11,15,286	769.9	678.8	68,568
Oct-23	730.3	649.3	8,23,946	727.95	650	43,524
Nov-23	726	653	11,95,921	729.3	648.55	69,358
Dec-23	766.55	675.6	15,17,433	765.9	679.55	1,41,907
Jan-24	739	661.6	8,94,835	738	662.95	78,378
Feb-24	755	649.05	13,18,937	753	649	56,737
Mar-24	688.4	561.2	9,67,058	686.6	562.2	68,844

\*Source: Official website of BSE and NSE

## PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

### BSE SENSEX VS SOMANY CERAMICS LIMITED SHARE PRICE

Month	Closing Price of Equity Shares at BSE (in ₹)	BSE Sensex (in ₹)
Apr-23	530.75	61,112.44
May-23	633.65	62,622.24
Jun-23	710.25	64,718.56
Jul-23	742.75	66,527.67
Aug-23	710.60	64,831.41
Sep-23	691.85	65,828.41
Oct-23	664.40	63,874.93
Nov-23	676.30	66,988.44
Dec-23	716.20	72,240.26
Jan-24	708.40	71,752.11
Feb-24	654.30	72,500.30
Mar-24	576.40	73,651.35



## 22. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment) Maheshwari Datamatics Private Limited

23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata – 700 001

Phone No. 033-2243 5029/2248 2248, E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

## 23. SHARE TRANSFER SYSTEM

Matters related to share transfer and transmission are attended by the delegated authorities. Share transfers are registered and returned within stipulated timeline from the date of receipt, if the documents are in order in all respects. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Practicing Company Secretary for due compliance of share transfer formalities during the period ended 31 March, 2024. However, as per Regulation 40(1) of SEBI (LODR) Regulations, 2015, the requests for effecting transfer of securities are entertained only if the securities are held in the dematerialized form with a depository. Further, the transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

## 24. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	27,207	94.05	15,89,350	3.88
501 to 1,000	896	3.10	6,69,809	1.63
1,001 to 2,000	382	1.32	5,70,086	1.39
2,001 to 3,000	132	0.45	3,30,980	0.81
3,001 to 4,000	66	0.23	2,37,911	0.58
4,001 to 5,000	43	0.15	1,97,817	0.48
5,001 to 10,000	104	0.36	7,25,252	1.77
10,001 and Above	99	0.34	3,66,82,415	89.46
<b>Total</b>	<b>28,929</b>	<b>100.00</b>	<b>4,10,03,620</b>	<b>100.00</b>

Categories of Shareholding as on 31 March, 2024.

Category	Number of Shares	Percentage (%)
Indian Promoters	2,25,58,791	55.02
Mutual Funds & UTI, Alternate Investment Funds	97,58,271	23.80
Banks, Financial Institutions, Insurance Companies	8030	0.02
NBFCs Registered with RBI	NIL	NIL
Foreign Portfolio Investors (Institution)	5,41,263	1.32
Foreign Portfolio Investors (Individual)	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Body Corporate	9,39,522	2.29
Indian Public (Including HUF)	67,16,676	16.38
NRIs/Foreign Companies	2,31,463	0.56
Investor Education and Protection Fund Authority	1,98,065	0.48
Trusts	3	0.00
Clearing Members	51,477	0.13
Domestic Corporate Unclaimed Shares Account	59	0.00
<b>Total</b>	<b>4,10,03,620</b>	<b>100.0</b>

## 25. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialized form in CDSL are 24,03,484 (5.86%) and in NSDL are 3,84,19,321 (93.70%) representing 4,08,22,805 (99.56%) Equity shares of the paid-up capital of the Company as on 31 March, 2024. The total shares held in physical form are 1,80,815 (0.44%).

## 26. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

No GDRs/ADRs/Warrants or any Convertible instruments were issued during the year 2023-24 and there were no outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31 March, 2024, which would have an impact on the equity of the Company.

## 27. STOCK OPTIONS

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 23 May, 2023 approved the Somany Ceramics Employee Stock Plan 2023 (hereinafter to be referred as "Somany Ceramics Employee Stock Option Plan 2023" or the "Plan" or "Scheme") for grant of 12,74,226 Options to Eligible Employees/Directors of the Company and/or group companies including Subsidiary or Associate Companies and recommended the same to the Shareholders of the Company for their approval.

The Plan was approved by the shareholders of the Company at its 55<sup>th</sup> Annual General Meeting AGM held on 25 August, 2023. As per Regulation 12(3) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company obtained in-principle approval from the stock exchanges prior to the grant of options.

The Nomination and Remuneration Committee granted 1,36,576 options to 26 eligible employees of the Company on 8 November, 2023.

During the year, 31,332 options lapsed/forfeited due to resignation/superannuation of some of the employees of the Company under Somany Ceramics Employee Stock Plan 2021. Further, 2,839 options lapsed/forfeited due to resignation/superannuation of some of the employees of the Company under Somany Ceramics Employee Stock Plan 2023. The certificate from the Secretarial Auditor of the Company certifying that the scheme is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with resolution passed by the Members in general meeting/Postal Ballot as received by the Company.

The disclosure required under Regulation 16 (2) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 were duly made to the prospective option grantees. The details of the Plan are available on the Weblink [ESOP Disclosure FY 2023-24](#)

## 28. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2023-24, there was no material movement in the input costs and it remained largely stable. However, the natural gas

price, which is one of the key input cost, is reduced significantly as compared to previous year. These inputs do not fall under the preview of commodities that can be covered through any hedging structure. As far as foreign exchange risk is concerned, there is no significant foreign exchange exposure. Further the regular monitoring mechanism is in place to take necessary steps to minimize foreign exchange risks.

### 29. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Akshit Kumar Jangid, Partner of Pinchaa & Co., Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority. This certificate is enclosed as **Annexure – A**.

### 30. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

#### Individuals may contact

Mr. Sailesh Raj Kedawat (Chief Financial Officer), at:  
F-36, Sector-6, Noida – 201301, Uttar Pradesh  
Phone: 0120 - 4627900  
Email: [sailsh.kedawat@somanyceramics.com](mailto:sailsh.kedawat@somanyceramics.com)

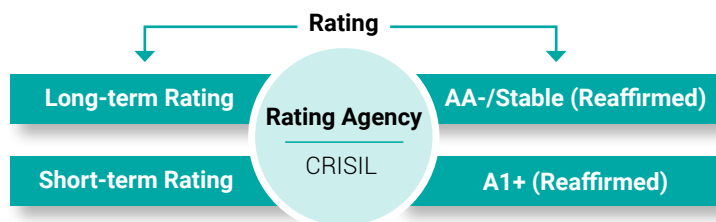
#### Shareholder's Enquiries: Individuals may contact

Mr. Shyamal Banerjee at:  
2, Red Cross Place, Kolkata – 700 001 Phone : 033-22487406/5913  
Email: [sclinvestors@somanyceramics.com](mailto:sclinvestors@somanyceramics.com)

Pursuant to the Uniform Listing Agreement entered by the Company with Stock Exchanges, the Company has created email-id for the redressal of investor grievances viz; [sclinvestors@somanyceramics.com](mailto:sclinvestors@somanyceramics.com).

### 31. CREDIT RATINGS

Company's credit rating from CRISIL remained same during the year 2023-24:-



### 32. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON- MANDATORY REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

During the year, the Company has complied with the mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the following non-mandatory requirements:

- During the year under review, there is no audit qualification on the Company's Financial Statements.
- The Internal Auditor can report directly to the Audit Committee.

#### OTHER DISCLOSURES

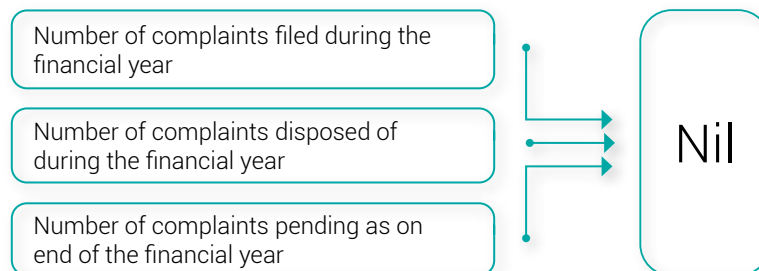
The total fee payable by the Company and its subsidiary(ies), on consolidated basis, to the Statutory Auditors, M/s. Singhi & Co., and all entities in the network firm/network entity of which it is a part, for the Financial year 2022-2023 and 2023- 24 is ₹ 26.62 Lakhs and ₹ 37.94 Lakhs respectively out of which ₹ 30.29 Lakhs been paid during the Financial Year 2023-24.

There was no recommendation of any Committee of the Board, which had not been accepted by the Board of Directors during the year under review.

During the Financial Year 2023-24, the Company did not raise any funds through preferential allotment or qualified institutions placement.

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 33. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT



### 34. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 56TH ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

#### Mr. Ghanshyam Girdharbhai Trivedi

Non-Executive Non-Independent Director

Mr. Ghanshyam Girdharbhai Trivedi is an esteemed professional with over 53 years of experience in the ceramics, glass, and sanitary ware industry. He holds degrees in M.Sc. and LL.B. and is an Associate Member of The Institute of Cost Accountants of India (ICAI). Mr. Trivedi has dedicated 35 years to this industry, showcasing his profound expertise. Currently, he is the member of All India Management Association. He also served as the President of the All-India Pottery Manufacturers' Association and held memberships of the esteemed organizations such as American Ceramic Society and Indian Ceramic Society. His commitment to the industry's growth is further evident through advisory roles, including as a member of the Advisory Committee of Central Glass and Ceramic Research Institute - Ahmedabad and as a Council Member of Indian Ceramic Society. Mr. Trivedi has actively participated in numerous national and international conferences, presenting insightful research papers that benefit the industry. His association with the Company dates to 1987. The details of his directorship and membership in Companies are given below:

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/Director	Position held in			
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee
1	Somany Ceramics Limited	Director	Member	Member	Member	Member
2	Somany Bathware Limited	Director	-	-	-	-

#### Mr. Manit Rastogi

Additional Director (Non-Executive Independent Director)

Mr. Manit Rastogi is an internationally renowned architect and the Founding Partner of Morphogenesis, one of the largest Architectural Firms in India. A winner of over 150 prestigious awards and an author of over a thousand publications and journals, he is a Fellow of the Indian Institute of Architects, Fellow of the Royal Society of Arts and a chartered member of the Royal Institute of British Architects.

His firm has been listed among the top 100 Architectural Firms globally for over a decade. He has worked across a diverse canvas ranging from architecture to urban design, landscape, interior design, art & sculpture. His professional portfolio includes several Commercial buildings, Residential Complexes, Smart Cities, significant Institutions, Offices, and Hotels across India, Bhutan, South Africa, Nepal, Bangladesh, UAE, Sri Lanka, and Afghanistan.

He is a leading speaker in sustainable design having lectured at numerous reputed Universities and Conferences worldwide. As a founder member of the GRIHA Council, India's premier green rating system, Mr. Manit also works actively with urban policymakers to spearhead initiatives with an emphasis on environmental sensibility and socio-cultural sustainability.

### 35. UNCLAIMED SUSPENSE ACCOUNT

Details with respect to the Equity Shares held in unclaimed suspense account of the Company are as under:

Particulars	No. of Shareholders	No. of Shares Held
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	4	59
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	4	59

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.



### 36. LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company and its subsidiaries have not provided any loans and advances to any firms/companies in which Directors are interested.

### 37. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING THE COMPANY:

With reference to Clause 5A to Paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there were no agreements subsisting as on the date of the notification of the said clause. Further, no Agreements/ information falling under Clause 5A to Paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were required to be disclosed to the Stock Exchanges during the financial year ended 31 March, 2024.

### 38. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended 31 March, 2024.

**For and on behalf of the Board  
For Somany Ceramics Limited**

**Abhishek Somany**  
Managing Director & CEO  
DIN: 00021448

Place: Noida  
Date: 15 May, 2024



## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
Somany Ceramics Limited

We, Abhishek Somany, Managing Director & Chief Executive Officer and Sailesh Raj Kedawat, Chief Financial Officer of Somany Ceramics Limited ("the Company") do hereby certify to the board that:-

- A. We have reviewed the financial statements and the cash flow statement of Somany Ceramics Limited for the year ended 31 March, 2024 and that to the best of our knowledge and belief, we state that;
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. there are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 steps taken or proposed to be taken for rectifying these deficiencies.
- D. we have indicated to the Auditors and the Audit Committee:
1. significant changes, if any, in the internal control over financial reporting during the year.
  2. significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances 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.

Yours sincerely

**Abhishek Somany**  
Managing Director & CEO  
DIN: 00021448

Place: Noida  
Date: 15 May, 2024

**Sailesh Raj Kedawat**  
Chief Financial Officer

**“Annexure-A”**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members,  
**Somany Ceramics Limited**  
2, Red Cross Place Kolkata WB 700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Somany Ceramics Limited having CIN:L40200WB1968PLC224116 and having registered office at 2, Red Cross Place Kolkata WB 700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

<b>S. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in the Company</b>
1	Mr. Salil Singhal	00006629	27/07/2002
2	Mr. Rameshwar Singh Thakur	00020126	24/05/2018
3	Mr. Shreekant Somany	00021423	01/09/1992
4	Mr. Abhishek Somany	00021448	03/09/2001
5	Mr. Ghanshyam Girdharbhai Trivedi	00021470	01/09/2017
6	Mr. Ravinder Nath	00062186	26/09/2003
7	Mrs. Rumjhum Chatterjee	00283824	01/09/2018
8	Mr. Vineet Agarwal	00380300	01/05/2019
9	Mr. Siddharath Bindra	01680498	26/05/2014

Ensuring the eligibility of 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 these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pinchaa & Co.**  
Company Secretaries  
Firm's U.C.N. P2016RJ051800  
Firm's PR Certificate No. 832/2020

**Akshit Kr. Jangid**  
Partner  
M.No. FCS 11285  
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Place: Jaipur  
Date:15 May, 2024  
UDIN: F011285F000371304

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L40200WB1968PLC224116
2	Name of the Listed Entity	Somany Ceramics Limited
3	Year of incorporation	1968
4	Registered office address	2, Red Cross Place, Kolkata - 700001, West Bengal
5	Corporate address	F-36, Sector-6, Noida - 201301, Uttar Pradesh
6	E-mail	<a href="mailto:corporateaffairs@somanyceramics.com">corporateaffairs@somanyceramics.com</a>
7	Telephone	0120-4627900
8	Website	<a href="http://www.somanyceramics.com">www.somanyceramics.com</a>
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. & BSE Limited
11	Paid-up Capital	₹ 820.07 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	Mr. Kumar Sunit Head-Strategy & Investor Relations Telephone: 0120-4627900 Email Id: <a href="mailto:kumar.sunit@somanyceramics.com">kumar.sunit@somanyceramics.com</a>
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).	The disclosures in this report have been made on a standalone basis and are limited to the operational boundary of Somany Ceramics Limited.
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

### 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	Ceramic/Vitrified Wall & Floor Tiles	Manufacturing and trading of Ceramic/ Vitrified Wall & Floor Tiles	87.06%
2	Sanitaryware & Bath Fittings	Trading of Sanitaryware & Bath Fittings	10.58%

#### 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	Ceramic/Vitrified Wall & Floor Tiles	2393 23929	87.06%
2	Sanitaryware & Bath Fittings	2392 23922	10.58%

### 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	23	25
International	0	1 (Representative office in Nepal)	1

#### 19 Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	The Company operates Pan-India
International (No. of Countries)	The Company has exported to 58 countries this financial year.

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.70%

##### c. A brief on types of customers

The Company provides a wide range of solutions to a varied clientele, comprising retailers and distributors, utilizing its inventive offerings. It serves both domestic and international markets through its Indian and global business sectors.

### IV. Employees

#### 20 Details as at the end of Financial Year (2023-24):

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	1,344	1,299	96.65%	45	3.35%
2	Other than Permanent (E)	310	283	91.29%	27	8.71%
<b>3</b>	<b>Total employees (D + E)</b>	<b>1,654</b>	<b>1,582</b>	<b>95.65%</b>	<b>72</b>	<b>4.35%</b>
<b>WORKERS</b>						
4	Permanent (F)	609	609	100%	0	0%
5	Other than Permanent (G)	1,909	1,901	99.58%	8	0.42%
<b>6</b>	<b>Total Workers (F + G)</b>	<b>2,518</b>	<b>2,510</b>	<b>99.68%</b>	<b>8</b>	<b>0.32%</b>

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
<b>3</b>	<b>Total differently abled employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	6	6	100%	0	0%
5	Other than Permanent (G)	1	1	100%	0	0%
<b>6</b>	<b>Total differently able workers (F + G)</b>	<b>7</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## 21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	5	0	0%

**Note:** KMP includes Chairman & Managing Director and Managing Director & CEO who are also part of Board of Directors.

## 22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.67%	15.38%	11.78%	10.99%	19.35%	11.20%	10.29%	30.55%	10.92%
Permanent Workers	5.89%	0%	5.89%	6.50%	0.00%	6.50%	6.80%	0.00%	6.80%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Names 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	SR Continental Limited	Subsidiary	100.00%	No
2	Somany Bathware Limited	Subsidiary	100.00%	No
3	Somany Excel Vitrified Private Limited	Subsidiary	100.00%	No
4	Somany Piastrelle Private Limited	Subsidiary	100.00%	No
5	Somany Bath Fittings Private Limited	Subsidiary	100.00%	No
6	SRCL Buildwell Private Limited	Subsidiary of SR Continental Limited	100.00%	No
7	Somany Max Private Limited	Subsidiary	80.00%	No
8	Sudha Somany Ceramics Private Limited	Subsidiary	60.00%	No
9	Amora Tiles Private Limited	Subsidiary	51.00%	No
10	Somany Sanitary Ware Private Limited	Subsidiary	51.00%	No
11	Vintage Tiles Private Limited	Associate	50.00%	No
12	Acer Granito Private Limited	Associate	26.05%	No
13	Vicon Ceramic Private Limited	Associate	26.00%	No
14	Clean Max Ananta Private Limited	Associate	49.00%	No

The Company has disinvested its entire equity shareholding in Somany Fine Vitrified Private Limited ("SFVPL") (its Subsidiary Company) w.e.f 1 July, 2023 through an agreement dated 26 August, 2023.

## VI. CSR Details

- 24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
- (ii) Turnover (in ₹) (2023-24) 2,53,448.07 Lakhs
- (iii) Net worth (in ₹) (2023-24) 72,316.83 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 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		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	The Company has formulated policies corresponding to the requirements of each NGRBC principle. To ensure effective implementation, it has instituted a grievance redressal mechanism through which stakeholders can report their complaints. The same has been specified in each policy. (Link to policy section, please refer below): <a href="#">Somany Ceramics</a>	0	0	-	0	0	-
Investors (other than shareholders)		0	0		0	0	
Shareholders		5	0		0	0	
Employees and workers		0	0		0	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	
Other (please specify)		0	0		0	0	

### 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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Compliance & Ethical Business Practices	Risk	Non-adherence to compliance and ethical business practices risks legal penalties, reputational damage, supply chain disruptions, loss of market access, investor and stakeholder distrust, and adverse environmental and social impacts. Adhering to compliance and ethical business practices can pose risks such as increased costs, legal repercussions, market access barriers, and stakeholder concerns.	The Company maintains a robust compliance management system, with senior management regularly reviewing adherence to all regulations. To effectively mitigate compliance and ethical risks related to training on the Code of Conduct and Prevention of Sexual Harassment (POSH) policies, implemented a comprehensive, multi-modal training approach, engage employees at all levels, and foster continuous learning and leadership commitment.	<b>Negative Implication</b> Non-compliance with regulations or unethical practices can result in legal penalties, reputational damage, operational disruptions, loss of market access, and fines, all of which will have negative financial implications for the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water Conservation	Risk/ Opportunity	Water management presents both risks and opportunities due to its limited resources and significant impact on the environment and society. Risks arise from potential water scarcity, increased regulatory scrutiny, and reputational damage resulting from unsustainable water usage practices. Conversely, effective water management presents opportunities for cost savings, enhanced environmental sustainability, and positive stakeholder engagement. By implementing responsible water management strategies, such as recycling and conservation measures, the Company can mitigate risks, improve operational efficiency, and contribute to long-term environmental and social benefits, thus ensuring sustainable business growth and resilience in the face of water-related challenges.	The Company has enacted numerous water conservation measures, such as process enhancements and wastewater recycling initiatives. Additionally, both its facilities in Kadi and Kassar operate as Zero Liquid Discharge (ZLD) plants, meaning all wastewater generated is recycled.	<b>Negative Implication</b> Inadequate water management in a tile-producing company can lead to increased operational costs, compliance expenses, reputation damage, and supply chain disruptions, negatively impacting its financial performance.
3	Energy & Emissions Management	Risk	The rise in energy costs and the enforcement of environmental regulations aimed at mitigating emissions underscore the financial risk associated with energy management, as it necessitates substantial energy consumption for processes and compliance measures.	Energy plays a pivotal role in driving economic growth and ensuring societal prosperity, with its availability and reliability being pressing concerns not only for organizations but also for global sustainability efforts.  The Company has enacted various initiatives, such as adopting energy-efficient processes and systems, expanding the utilization of renewable energy sources, and transitioning to greener biofuels.	<b>Negative Implication</b> Rise in energy cost and upfront capital investment for energy efficient technology.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Product Quality & Safety	Risk	The utilization of outdated technologies in tile production poses a risk to product quality and safety, potentially compromising the Company's brand reputation and profitability.	Offering a high-quality product at a competitive price, coupled with seamless pre- and post-sales service, presents an opportunity for organizations to cultivate satisfied customers who contribute to sustained revenue streams.  The Company prioritizes investment in research and development to deliver innovative, high-quality products to its customers, supported by an ISO 9001:2015 certified Quality Management System to ensure adherence to prescribed quality and safety standards for all its products.	<b>Negative Implication</b>  Poor product quality can lead to decreased sales, increased sales returns, reputation damage, legal expenses, recall costs, and lost opportunities, all of which have negative financial implications for a company.
5	ESG Aspects in Supply Chain	Risk	Environmental and social risks within the Company's value chain may result in disruptions to the supply chain.	The Company has developed a Supplier Code of Conduct, which sets forth ESG performance criteria for all suppliers to follow. This ensures ethical, sustainable, and responsible practices across the supply chain, contributing to corporate social responsibility and sustainability objectives. Compliance fosters transparency, integrity, and mutual accountability.	<b>Negative Implication</b>  Negative ESG aspects in the supply chain can lead to financial risks such as supply chain disruptions, reputational damage, impacting the Company's financial performance.
6	Local Community Development	Opportunity	Building lasting relationships with local communities is essential for gaining the approval to operate. By engaging in Corporate Social Responsibility (CSR) initiatives, the Company demonstrates its commitment to community well-being and sustainable development. These initiatives include projects focused on education, healthcare, environmental conservation, and economic empowerment. Through active involvement and investment in local communities, the Company earns trust and support, enhancing its reputation and ensuring long-term viability.	Aligned with its Corporate Social Responsibility (CSR) policy, the Company consistently engages with local community members through a variety of CSR activities. These efforts are aimed at understanding and addressing the needs and grievances of the community, fostering a strong relationship and contributing to their overall well-being.	<b>Positive implication</b>  Local community development initiatives have positive financial implications for the Company by enhancing brand reputation, fostering customer loyalty, attracting and retaining top talent, improving relationships with local stakeholders, and mitigating operational risks, ultimately leading to increased revenue and profitability.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Employee Well-being	Opportunity	Ensuring the well-being of our employees extends beyond occupational safety to encompass their overall health and wellness, recognizing that their capabilities, competence, and commitment are integral to our sustained business success and the trust bestowed upon us by stakeholders.		<p><b>Positive Implication</b></p> <p>Employee well-being positively impacts financials by reducing absenteeism, enhancing productivity, lowering turnover, fostering innovation, and creating a positive workplace culture that attracts top talent.</p>

## 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.

S.No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	<a href="#">Investor Relation   Tile Company in India – Somany Ceramics</a>								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 (Quality Management System)	BIS Certification	ISO 45001 (Occupational Health and Safety System)	-	-	ISO 14001 (Environmental Management System) CII GreenPro (Green Product Certification)	SO /IEC 27001: 2013	-	CE Certification
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The following targets were set to attain by FY 2024-25:</p> <ul style="list-style-type: none"> <li>To improve thermal and electrical energy efficiency by 5% by 2025 (Baseline year 2022-23)</li> <li>To improve freshwater consumption intensity by 6.5% by 2025 (Baseline year 2022-23)</li> <li>Achieve 100% training completion for all employees on the Code of Conduct &amp; Prevention of Sexual Harassment (POSH) policies.</li> <li>Maintain a first-quality rate of 90%</li> <li>Continue and evaluate CSR projects.</li> <li>Conduct Health, Safety, and Environment (HSE) training for 25% of employees and 85% of workers.</li> <li>Ensure 100% coverage of permanent female workers under Maternity Benefits.</li> </ul>								

6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<p><b>Against the set target as mentioned above below is the status update:</b></p> <ul style="list-style-type: none"> <li>• We have reduced our Energy Intensity by 7.98% compared to fiscal year 2022-2023</li> <li>• Surpassing the target, the company maintained a first-quality rate of 92.35%, demonstrating its dedication to excellence in product quality.</li> <li>• Health, Safety, and Environment (HSE) training for employees and workers stood at 73% and 75% respectively.</li> <li>• Continuing the evaluation of CSR projects, highlighting the company's commitment to social responsibility and environmental sustainability.</li> <li>• We are on the path to meet our targets for the financial year 2024-2025 based on the base year of 2022-2023.</li> </ul>
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### 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)	<p>At Somany, our commitment to Environmental, Social, and Governance (ESG) principles is deeply embedded in our core strategy and reflects our dedication to creating lasting value for all our stakeholders. Our ESG efforts go beyond mere compliance; they are integral to our mission of making a difference—be it through our operations, products, or community engagements.</p> <p>As a leader in the global decor solutions market, we offer an extensive array of products across various categories including ceramic tiles (for walls and floors), polished vitrified tiles, glazed vitrified tiles, as well as sanitary ware and bath fittings. Our broad product range is a testament to our innovation and commitment to quality, ensuring that we meet the diverse needs of our customers while adhering to sustainable practices.</p> <p>The Company has enthusiastically endorsed a comprehensive 3-year ESG roadmap, which outlines clear targets and strategies aimed at enhancing our environmental stewardship, bolstering community relations, and ensuring robust governance structures. These initiatives are not only pivotal to our business ethos but are also aligned with our long-term objectives of growth and sustainability.</p> <p>For a detailed account of our ESG targets, challenges, and achievements, I encourage stakeholders to refer to the ESG section of our Annual Report. Here, we transparently outline our progress and the steps we are taking to ensure that Somany continues to be at the forefront of sustainable business practices.</p> <p>In conclusion, our dedication to ESG principles is unwavering. We believe in creating value that benefits not just our company and shareholders, but also our people, our communities, and our planet. We remain committed to this path, driven by our core values and a clear strategic vision.</p>
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>The Implementation of policies falls under the purview of the Risk Management Committee. The members of Risk Management Committee are :</p> <ol style="list-style-type: none"> <li>1. Mr. Abhishek Somany (Chairman): Managing Director &amp; CEO (DIN: 00021448)</li> <li>2. Mr. Rameshwar Singh Thakur (Member): Non-Executive Independent Director (DIN: 00020126)</li> <li>3. Mr. Vineet Agarwal (Member): Non-Executive Independent Director (DIN: 00380300)</li> <li>4. Mr. Sailesh Raj Kedawat (Member): Chief Financial Officer (CFO)</li> <li>5. Mr. Ashavani Kumar Mani (Member): Vice President</li> <li>6. Mr. Bikash Mishra (Coordinator): Assistant General Manager</li> </ol>

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.	<p>Yes, the Risk Management Committee is responsible for making decisions about Sustainability matters. The members of the committee are;</p> <ol style="list-style-type: none"> <li>1. Mr. Abhishek Somany (Chairman): Managing Director &amp; CEO (DIN: 00021448)</li> <li>2. Mr. Rameshwar Singh Thakur (Member): Non-Executive Independent Director (DIN: 00020126)</li> <li>3. Mr. Vineet Agarwal (Member): Non-Executive Independent Director (DIN: 00380300)</li> <li>4. Mr. Sailesh Raj Kedawat (Member): Chief Financial Officer (CFO)</li> <li>5. Mr. Ashavani Kumar Mani (Member): Vice President</li> <li>6. Mr. Bikash Mishra (Coordinator): Assistant General Manager</li> </ol>
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10	Details of Review of NGRBCs by the Company:	<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>									<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b>								
			<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
		Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Performance against each policy and necessary follow-up actions are reviewed annually.								
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Compliance with statutory requirements relevant to the principles is reviewed annually.									

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.	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	No, the Company regularly carries out thorough internal audits of its policies to assess and oversee any discrepancies in their implementation.									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
The entity does not consider the Principles material to its business (Yes/No)									
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)									

Not applicable

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### Essential Indicators

#### 1 Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and Awareness programs held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programs
Board of Directors	4	Marketing Strategy, Financial performance of company, Production process and planning, Continuing the evaluation of CSR projects, highlighting the Company's commitment to social responsibility and environmental sustainability.	100%
Key Managerial Personnel	1	ESG Sensitization	100%
Employees other than BoD and KMPs	27	Occupational Health & Safety, POSH, Human Rights, Code of Conduct, Soft & Technical Skills	47.48%
Workers	27	Occupational Health & Safety, POSH, Human Rights, Code of Conduct, Soft & Technical Skills	52.67%

#### 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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

During the financial year 2023-24, there were no instances of any material (monetary and non-monetary) fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by Directors/ KMPs) levied by the regulators/law enforcement agencies/ judicial institutions.

**Note:** Materiality threshold as specified in Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applied for the purpose of this disclosure.

**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
Not Applicable	

**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, the entity has an [Ethics, Transparency, and Accountability Policy](#) in place which highlights the Company's strict zero-tolerance stance on bribery and corruption. Somany is dedicated to conducting all its business activities with honesty, integrity, and the highest ethical standards. The Company actively enforces these ethical business practices globally, firmly discouraging and refraining from any form of bribery, corruption, or unethical behaviors.

**5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

**6 Details of complaints with regard to conflict of interest**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Not Applicable	0	Not Applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Not Applicable	0	Not Applicable

**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 ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	93.01	54.89

## 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	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	0	0
	b) Number of trading houses where purchases are made from	Not Applicable	Not Applicable
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	Not Applicable
Concentration of sales	a) Sales to dealers / distributors as % of total sales	84.28%	84.99%
	b) Number of dealers / distributors to whom sales are made	2,675	2,586
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	11.72%	12.32%
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	43.59%	41.75%
	b) Sales (Sales to related parties / Total Sales)	0.08%	0.07%
	c) Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	98.19%
	d) Investments (Investments in related parties / Total Investments made)	95.92%	81.62%

## Leadership Indicators

### 1 Awareness programs conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programs
Regular Programs	1. Supplier Code of Conduct 2. Contract Terms & Condition	100%

The Company has formulated a Supplier Code of Conduct which sets forth its expectations concerning Business Ethics, Environment, Labour & Human Rights. Suppliers must comply with these guidelines and ensure that their own suppliers also follow them.

### 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, the Company maintains a Code of Conduct for the Board of Directors and Senior Management Personnel that offers explicit guidelines for preventing and revealing any real or potential conflicts of interest with the Company. Annually, the Company collects declarations from its Board of Directors and Senior Management Personnel affirming that they have not violated this code, including any issues related to conflicts of interest. Furthermore, all Directors and Key Management Personnel must report any potential conflicts of interest as per the stipulations of the Company's Related Party Transaction Policy.



**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.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D & Capex	The Company is dedicated to offer its customers innovative solutions that protect the environment and enhance customer wellbeing. Environmental and social factors are woven into the Company's R&D and capital expenditure strategies. By decreasing its consumption of raw materials and enhancing processes through technological advancements, the Company aims to further better the environmental and social outcomes of its products and processes.		

**2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has a Supplier's Code of Conduct in place that mandates suppliers to utilize natural resources in a sustainable manner.

It mandates that suppliers minimize or eliminate any adverse environmental and climate impacts resulting from their operations. Suppliers are also encouraged to engage in the development and adoption of eco-friendly products, processes, and technologies. Furthermore, suppliers are expected to conduct all business activities ethically and with the highest integrity, adhere to local labor and human rights laws, and source conflict-free raw materials for their manufacturing processes.

**b. If yes, what percentage of inputs were sourced sustainably?**

100% (as per Suppliers Code of Conduct)

**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 (d) other waste.**

Our company produces tiles and related products known for their longevity, and as such, we generally do not reclaim these items once they have been installed. These products are designed to last and typically do not require replacement for many years.

Regarding the plastics used in our packaging and distribution processes, we actively participate in the Extended Producer Responsibility (EPR) system. This approach is essential as the plastics used in our packaging can follow various paths that make direct reclamation challenging. Through the EPR process, we ensure the recycling, reuse, or recovery of these materials at their final disposal stage.

Additionally, it's important to note that our products do not generate electronic waste or hazardous waste, further minimizing our environmental impact.

**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

Our plants are registered as importer/ brand owner to comply with the requirements of the Plastic Waste Management Rules 2016. Consistent with the objectives established by Extended Producer Responsibility (EPR), we have formed a partnership with an authorized third-party waste recycler to manage the recycling of plastic pre & post-consumer plastic.

## 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.
The Company has not conducted any LCA studies					

- 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
Not Applicable		

- 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	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
BioFuel	100%	9.67%
Recycled Paper	100%	
Granite Sludge	21%	
Other materials	Nil	

- 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:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

- 5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

**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	% of 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)
<b>Permanent employees</b>											
Male	1299	1299	100%	1299	100%	0	0%	0	0%	0	0%
Female	45	45	100%	45	100%	45	100%	0	0%	0	0%
<b>Total</b>	<b>1344</b>	<b>1344</b>	<b>100%</b>	<b>1344</b>	<b>100%</b>	<b>45</b>	<b>3.35%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	283	283	100%	0	0%	0	0%	0	0%	0	0%
Female	27	27	100%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>310</b>	<b>310</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

\* Includes term insurance.

**b. Details of measures for the well-being of workers:**

Category	% of Worker 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)
<b>Permanent workers</b>											
Male	609	609	100%	609	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>609</b>	<b>609</b>	<b>100%</b>	<b>609</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent workers</b>											
Male	1901	1901	100%	0	0%	0	0%	0	0%	0	0%
Female	8	8	100%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>1909</b>	<b>1909</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.041%	0.033%

Above amount is excluding amount spent on other than permanent manpower

## 2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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	2.08%	100%	Y	4.00%	100%	Y
Others – please specify	0%	0%	Not applicable	0%	0%	Not applicable

\*Permanent Trainee workers are excluded from Gratuity

## 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.**

Yes, Somany's workplace premises are designed to be accessible to differently abled employees and workers. The infrastructure at the gates and office entrances are equipped with even surfaces, such as ramps, to ensure easy accessibility for disabled employees.

## 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.

Yes, Somany adheres to an inclusive Equal Opportunity Policy as outlined in our Code of Conduct for Employee & Employee Well Being Policy. This policy compels all directors and employees to foster a workplace that is entirely free from discrimination. This includes discrimination based on color, race, creed, national or ethnic origin, gender, sexual orientation, religion, marital status, veteran status, citizenship status, physical or mental disability, age, or any other status protected under applicable laws.

[Employee Well Being Policy](#)

[Code of Conduct for Employees](#)

## 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	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Female	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**6 Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	<p>Somany Ceramics has established several mechanisms to address grievances effectively:</p> <ul style="list-style-type: none"> <li>A Help Desk has been established to handle employee complaints. Any complaints received through the Helpdesk, or any violations of the standards outlined in the whistle blower policy and business code of conduct are escalated through a formulated escalation matrix.</li> <li>In accordance with the Industrial Dispute Act, the Company has formed a 'Works Committee' comprising equal representation of management and workers. This committee convenes quarterly to address grievances.</li> <li>Following the Prevention of Sexual Harassment (POSH) Act, Somany Ceramics has set up an Internal Complaints Committee (ICC) that meets quarterly to ensure effective implementation of the Act.</li> <li>Adhering to the Factory Act, the Company has established a Safety Committee to handle issues and complaints. Workers can raise concerns to the welfare officer, who directs them to the relevant management teams for resolution. Once a solution is determined, the parties concerned are duly informed.</li> </ul> <p>Furthermore, Somany Ceramics encourages employees to seek guidance and report any concerns to their direct manager, Human Resources Manager, or Compliance Officer. The Company has a "Whistle Blower Policy" for reporting instances of unethical behavior, fraud, or violations of the Code of Conduct for employees. Zero tolerance is maintained for any form of Harassment (Physical, verbal, sexual and psychological) and prompt action is taken to address complaints. An Internal Committee is in place to handle such complaints, and the Company conducts regular awareness sessions and workshops across the organization to educate employees about this policy.</p>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

**7 Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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)
<b>Total Permanent Employees</b>	<b>1,344</b>	<b>0</b>	<b>0%</b>	<b>1,278</b>	<b>0</b>	<b>0%</b>
Male	1,299	0	0%	1245	0	0%
Female	45	0	0%	33	0	0%
<b>Total Permanent Workers</b>	<b>609</b>	<b>609</b>	<b>100%</b>	<b>679</b>	<b>679</b>	<b>100%</b>
Male	609	609	100%	679	679	100%
Female	0	0	0%	0	0	0%

## 8 Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	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)
<b>Employees</b>										
Male	1,299	962	74.05%	1,126	86.68%	1,245	160	12.85%	993	79.75%
Female	45	16	35.56%	16	35.56%	33	11	33.33%	13	39.39%
<b>Total</b>	<b>1,344</b>	<b>978</b>	<b>72.76%</b>	<b>1,142</b>	<b>84.97%</b>	<b>1,278</b>	<b>171</b>	<b>13.38%</b>	<b>1,006</b>	<b>78.71%</b>
<b>Workers</b>										
Male	609	459	75.37%	462	75.86%	679	359	52.87%	306	45.07%
Female	0	0	0	0	0%	0	0	0%	0	0
<b>Total</b>	<b>609</b>	<b>459</b>	<b>75.37%</b>	<b>462</b>	<b>75.86%</b>	<b>679</b>	<b>359</b>	<b>52.87%</b>	<b>306</b>	<b>45.07%</b>

## 9 Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1,299	1,224	94.23%	1,245	1,115	89.56%
Female	45	40	88.89%	33	26	78.79%
<b>Total</b>	<b>1,344</b>	<b>1,264</b>	<b>94.05%</b>	<b>1,278</b>	<b>1,141</b>	<b>89.28%</b>
<b>Workers</b>						
Male	609	609	100%	679	679	100%
Female	0	0	0%	0	0	0%
<b>Total</b>	<b>609</b>	<b>609</b>	<b>100%</b>	<b>679</b>	<b>679</b>	<b>100%</b>

## 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 of such system?

At Somany Ceramics, the safety and well-being of employees and stakeholders are paramount. To underscore this commitment, the Company has implemented an Occupational Health & Safety (OHS) management system across its manufacturing plants. Both Kassar and Kadi plants have ISO 45001:2018 certification, serving as tangible evidence to the Company's safety standard.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- **Hazard Identification & Risk Assessment (HIRA):** Somany Ceramics systematically identifies work-related hazards and assesses associated risks to ensure a safe working environment.
- **Work Safety Analysis:** Specific tasks undergo thorough analysis to identify potential risks, enabling the Company to implement targeted safety measures.
- **Risk Mitigation Measures:** Upon identifying hazards and risks, the Company formulates and implements measures to minimize or eliminate them effectively.
- **Routine Inspections:** Regular Inspections are conducted to proactively identify any unsafe conditions or behaviors, allowing for prompt corrective action to maintain workplace safety.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Regular safety training sessions and drills are held by the Company to educate employees about potential hazards, risks, and appropriate safety protocols. All staff members undergo training and are strongly encouraged to report any work-related hazards or near misses they encounter. The Health & Safety team assesses these reports and observations to devise and implement corrective measures.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all our permanent employees are covered under Term & Accidental Insurance which can be used for any non-occupational medical & healthcare service. All our workers are covered under Accidental Insurance.

**11 Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.9	14.5
	Workers	4.5	4.5
Total recordable work-related injuries	Employees	4	6
	Workers	14	15
No. of fatalities	Employees	0	2
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

\*Including in the contract workforce

**12 Describe the measures taken by the entity to ensure a safe and healthy work place.**

To ensure a safe and healthy workplace, our company has implemented several proactive measures. We conduct regular training sessions to keep our employees informed about safety protocols. We also provide job-specific personal protective equipment (PPE) to protect against workplace hazards. Periodic health check-ups are carried out for all employees to monitor and safeguard their well-being. Furthermore, we have established comprehensive safety guidelines based on detailed hazard and risk assessments. We continuously monitor the workplace to identify and rectify any unsafe conditions or behaviors. In the event of an accident or incident, we conduct thorough investigations and root cause analyses, followed by the implementation of corrective action plans to prevent future occurrences.

**13 Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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	22	Nil	Identified & closed during routine safety assessments		Nil	
Health & Safety	8	Nil			Nil	

**14 Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
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.**

We don't have any safety related incidents or risks underway arising from assessments of Health and safety practices and working conditions

**Leadership Indicators****1 Does the entity extend any life insurance or any compensatory package in the event of death of**

**(A) Employees (Y/N)** Yes

**(B) Workers (Y/N)** Yes

Employees are covered with - Term Insurance, Future Service Gratuity, EDLI & Workers are covered with - Future Service Gratuity & EDLI

**2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The entity ensures compliance with government regulations by overseeing GST deductions and deposits made by partners, enabling smooth input tax credit acquisition and adherence to tax laws. Additionally, it verifies that vendors and contractors fulfill statutory financial obligations including PF, ESI, and GST remittances, thereby maintaining financial integrity in the supply chain.

**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:**

Particulars	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	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	2	0	0
Workers	0	1	0	1

**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)**

No

**5 Details on assessment of value chain partners:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	100%
Working Conditions	100%



**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.**

In response to the need for corrective action, Somany Ceramics has taken proactive steps to enhance its Supplier Code of Conduct and agreement documents. Within these revised documents, suppliers and their vendors are required to adhere to a set of guidelines and directives aimed at fostering a safe and responsible work environment:

1. Safety regulations and guidelines specific to each work location must be strictly followed and adhered to without compromise.
2. Compliance with traffic rules at the designated work locations is mandatory to ensure the safety of all individuals involved.
3. All necessary licenses and work permit relevant to the location of work must be obtained and maintained in accordance with local regulations.
4. Personal Protective Equipment (PPE) must be utilized as per the requirements of each job, prioritizing the safety and well-being of all personnel.
5. Waste management practices must align with the nature and location of the work, with strict adherence to guidelines aimed at minimizing environmental impact.
6. Environmental guidelines and norms set forth by the Company or relevant regulatory bodies, such as the Pollution Control Board (PCB), must be followed diligently to uphold environmental sustainability standards.

These measures underscore Somany Ceramics' commitment to promoting a culture of safety, compliance, and environmental responsibility throughout its supply chain.

**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.**

At our Company, we take pride in maintaining a strong and transparent relationship with our investors by having a deep understanding of their expectations and fulfilling them consistently. Our commitment to stakeholders value is an integral part of our corporate philosophy which reflects our dedication to our stakeholders. We believe that our employees are vital in creating value for our stakeholders and the organization, and we strive to provide them with fulfilling careers. Suppliers are our key stakeholders who enable us to deliver business value. We respect the law of the land and abide by the Code of Conduct and Ethics, Transparency & Accountability Policy, making governments and regulators important stakeholders. Our business practices are centered around inclusive growth, and we ensure that the community is at the forefront of our sustainable practices.

**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
Customer	No	<ul style="list-style-type: none"> <li>• Advertisement</li> <li>• Experience centers</li> <li>• Customer meets</li> <li>• Satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Product satisfaction</li> <li>• Product information</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>• Email</li> <li>• Employee forums</li> <li>• Leadership forums</li> <li>• Employee surveys</li> <li>• Workplace platforms</li> <li>• Newsletter</li> <li>• Notice board</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Learning and development</li> <li>• Well-being</li> <li>• Grievance redressal</li> <li>• Growth opportunities</li> </ul>

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
Suppliers / vendors	No	<ul style="list-style-type: none"> <li>Email</li> <li>Vendor meetings</li> <li>Capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Local procurement</li> </ul>
Government and Regulatory bodies	No	<ul style="list-style-type: none"> <li>Email</li> <li>Policy intervention</li> <li>Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Taxation</li> <li>Promotions</li> <li>Best practices</li> </ul>
Shareholders	No	<ul style="list-style-type: none"> <li>Email</li> <li>Newspaper</li> <li>Advertisement</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Company's quarterly and annual earnings</li> <li>Regulatory Compliance</li> <li>Business strategy</li> </ul>
Local Community	Yes	<ul style="list-style-type: none"> <li>Community meetings</li> <li>Focused group discussion</li> <li>Grievance redressal</li> </ul>	<ul style="list-style-type: none"> <li>Annually / Need-Basis</li> </ul>	<ul style="list-style-type: none"> <li>Grievances</li> <li>Feedback</li> <li>Program improvement sessions</li> <li>Capacity building</li> </ul>

### Leadership Indicators

**1 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.**

Stakeholder engagement is crucial to our growth. The company has crafted a 3-year Strategy and Roadmap to uphold ESG best practices. We have established an ESG steering committee that sets sustainability goals, guides working groups, reviews public reports, and addresses stakeholder concerns. This committee conducts periodic reviews to discuss sustainability progress and stakeholder feedback. Our commitment to transparency is demonstrated through detailed reports on our ESG performance and progress.

**2 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, the Company, in partnership with stakeholders, has identified key environmental and social issues. We have selected and prioritized material topics based on their impact on both stakeholders and our business operations. Details about this process are available in the Materiality Assessment section of our ESG report. Our Corporate Social Responsibility initiatives are thoughtfully designed and executed to address the needs of the communities we serve, including vulnerable and marginalized groups, and other community members.

**3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company's CSR strategy prioritizes the development of neighboring communities around its facilities. It implements various initiatives centered on education, skill development, healthcare, sanitation, environmental sustainability, conservation of natural resources and overall well-being. These programs are tailored based on assessments of community needs to address the primary concerns of all community members.

## 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	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / Workers covered (B)	% (B / A)	Total (C)	No. of employees / Workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1,344	342	25.45%	1,278	245	19.17%
Other than permanent	310	0	0%	266	0	0%
<b>Total Employees</b>	<b>1,654</b>	<b>342</b>	<b>20.67%</b>	<b>1,544</b>	<b>245</b>	<b>15.87%</b>
<b>Workers</b>						
Permanent	609	13	2.13%	679	0	0%
Other than permanent	1,909	0	0%	1,776	0	0%
<b>Total Workers</b>	<b>1,978</b>	<b>13</b>	<b>0.52%</b>	<b>2,455</b>	<b>0</b>	<b>0%</b>

2 Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2023-24 (Current Financial Year)				Total (D)	FY 2022-23 (Previous Financial Year)			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Permanent Employees</b>										
Male	1,299	0	0%	1,299	100%	1,245	0	0%	1,245	100%
Female	45	0	0%	45	100%	33	0	0%	33	100%
<b>Other than Permanent Employees</b>										
Male	283	0	0%	283	100%	250	0	0%	250	100%
Female	27	0	0%	27	100%	16	0	0%	16	100%
<b>Permanent Workers</b>										
Male	609	224	36.78%	385	63.22%	679	66	9.72%	613	90.27%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Other than Permanent Workers</b>										
Male	1,901	1,667	87.69%	234	12.31%	1,764	1,632	92.51%	132	7.48%
Female	8	8	100%	0	0%	12	12	100%	0	0%

### 3 Details of remuneration/salary/wages, in the following format:

#### 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)	6	3,65,000	1	3,75,000
Key Managerial Personnel	5	2,70,24,018	0	0
Employees other than BoD and KMP	1294	6,62,255	45	5,15,219
Workers	609	1,82,607	0	0

**Note:** The remuneration of the Chairman & Managing Director and Managing Director & CEO have been included in the remuneration for KMPs.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	2.12%	1.53%

### 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 company has designated the Human Resources department as the Compliance body responsible for enforcing the principles outlined in Somany's HYPERLINK "[https://d3joggurz1vobr.cloudfront.net/investorrelations/s/c/scl\\_human\\_rights\\_policy.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/s/c/scl_human_rights_policy.pdf)" Human Rights Policy. According to the policy, the company strictly prohibits any form of human rights violations within its operations and value chain. Any policy violations or grievances can be reported to Mr. Biju Sebastian, Vice President of Corporate HR

### 5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

To safeguard human rights and foster continuous improvement, the Company has established systems to handle complaints and feedback related to potential violations if any. We have implemented several mechanisms to maintain a transparent and ethical work environment. Among these, our Whistle Blower Policy stands out, encouraging directors and employees to report any human rights violation, unethical behavior, fraud, or breaches of our [Code of Conduct & Ethics, Transparency and Accountability Policy](#).

### 6 Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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		Nil			Nil	
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:**

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Not Applicable	Not Applicable
Complaints on POSH upheld	Not Applicable	Not Applicable

**8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our organization's core values firmly prohibit any form of retaliation. Employees who report suspected violations of laws, the Code of Conduct, POSH, or other company policies are protected from retaliation or reprisal. Our organization strictly forbids threats or retaliation against individuals who, in good faith, report violations or assist in investigations. Throughout our resolution process, we adhere to the principles of natural justice, confidentiality, sensitivity, non-retaliation, and impartiality. We are committed to addressing all concerns sensitively and providing timely resolutions. Through comprehensive investigations, we ensure impartiality for all involved parties, giving them the opportunity to present relevant facts and evidence.

**9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirements are an integral part of our business agreements and contracts. At Somany, our Employee & Supplier Code of Conduct highlights our commitment to protecting human rights and respecting the dignity of every individual. We require all employees to uphold these principles consistently. This commitment extends to all dealings with business partners, encompassing the negotiation and implementation of agreements and contracts.

**10 Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not Applicable

**Leadership Indicators**

**1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Business processes were not modified/ introduced as result of addressing human rights grievances/ complaints, as no concerns/ risks were observed.

**2 Details of the scope and coverage of any Human rights due-diligence conducted.**

Human Right Due Diligence has not been conducted by the Company.

### 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

Yes, the majority of Somany's workplace premises are designed to be accessible to differently abled employees and workers. The infrastructure at the gates and office entrances are equipped with even surfaces, such as ramps, to ensure easy accessibility for disabled employees.

### 4 Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

### 5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

We don't have any safety related incidents or risks underway arising from assessments of value chain partners.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From Renewable Sources</b>		
Total electricity consumption (A) (GJ)	14,022.60	14,941.07
Total fuel consumption (B) (GJ)	8,40,377.83	7,41,994.55
Energy consumption through other sources (C) (GJ)	-	-
<b>Total energy consumption from Renewable sources (A+B+C) (GJ)</b>	<b>8,54,400.43</b>	<b>7,56,935.63</b>
<b>From Non - Renewable Sources</b>		
Total electricity consumption (D) (GJ)	2,06,198.94	2,24,857.22
Total fuel consumption (E) (GJ)	12,49,156.17	15,60,372.01
Energy consumption through other sources (F) (GJ)	-	-
<b>Total energy consumption from Non-Renewable sources (D+E+F) (GJ)</b>	<b>14,55,355.11</b>	<b>17,85,229.22</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>23,09,755.54</b>	<b>25,42,164.85</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover) GJ/Lakhs ₹	27.86	30.27

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) GJ/ Lakhs ₹	27.86	30.27
<b>Energy intensity in terms of physical output (Total energy consumed/ Square Meter tiles)</b>	0.0917	0.0927
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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**

- 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.**

No

- 3 **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	1,30,279	1,35,268
(ii) Groundwater	66,069	21,627
(iii) Third party water	93,614	1,04,792
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>2,89,962</b>	<b>2,61,687</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2,89,962</b>	<b>2,61,687</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover) KL/ Lakhs ₹	3.50	3.12
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) KL/Lakhs ₹	3.50	3.12
<b>Water intensity in terms of physical output (Total water consumed/ Square Meter tiles)</b>	<b>0.0115</b>	<b>0.0095</b>
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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**

**Note-** Due to some production processes and manufacturing of different product types, the water consumption has not decreased.

**4 Provide the following details related to water discharged:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharged by destination and level of treatment (in kilo litres)</b>		
(i) To Surface water	Not applicable, both plants are Zero Liquid Discharge Plants	Not applicable, both plants are Zero Liquid Discharge Plants
a. No treatment		
b. With treatment – please specify level of treatment		
(ii) To Groundwater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iii) To Seawater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iv) Sent to third-parties		
a. No treatment		
b. With treatment – please specify level of treatment		
(v) Others		
a. No treatment		
b. With treatment – please specify level of treatment		
<b>Total volume of water discharged (in kilolitres) (i + ii + iii + iv + v)</b>		

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**

**5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, both the manufacturing facilities operate with Zero Liquid Discharge systems. We have equipped these plants with effluent treatment facilities that process all wastewater. After treatment, the purified water is recycled back into our manufacturing processes.

**6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	119.79	87.26
SOx	MT	105.00	41.91
Particulate matter (PM)	MT	169.09	144.89
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-	Not Applicable	
Others – please specify	-		

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**

**Note-** We have improved our data collection and calculation methodology for stack emission calculation this financial year. All emissions are within permissible limits of the Pollution Control Board.



**7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	82,699.09	1,00,647.57
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	41,010.68	43,425.30
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO <sub>2</sub> e/Lakhs	1.49	1.72
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e/Lakhs	1.49	1.72
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	tCO <sub>2</sub> e/Square Meter tiles	0.0049	0.0053
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Not Applicable	-	-

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**

**8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the Company has implemented the following projects to reduce GHG emissions;

- Installation of Variable Frequency Drives (VFD) in motors/pumps.
- Reducing air consumption using photocell and solenoid valve.
- Fitting of transparent roof sheets.
- Use of high-efficiency LED lighting.
- Improve the efficiency of spray dryers by replacing major parts to reduce pollution and fuel consumption.
- Installed solar power plant at both the plants
- Use of Biofuels in place of fossil fuels

In addition to the above projects our both plants have installed Solar power plant and are using Biofuels for their process requirements.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	75.79	2,259
E-waste (B)	4.41	1.46
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	14.15	10.38
Radioactive waste (F)	0	0
Other Hazardous waste. (ETP Sludge, Used Oil) (G)	2,761.80	15,554.21
Other Non-hazardous waste generated (H).	1,058.05	6,129.37
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>3,914.20</b>	<b>23,954.42</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) MT/Lakhs ₹	0.05	0.29
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) MT/ Lakhs ₹	0.05	0.29
<b>Waste intensity in terms of physical output (Total Waste generated/ Square Meter tiles)</b>	0.000155	0.000874
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	20.66	23,954.42
(ii) Re-used	2758.00	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>2778.66</b>	<b>23,954.42</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	1135.54	-
<b>Total</b>	<b>1135.54</b>	<b>-</b>

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.**

Our waste management practices are robust and strictly adhere to the guidelines set by the State Pollution Control Board (SPCB) and the Central Pollution Control Board (CPCB). We manage hazardous waste responsibly, for instance, reusing ETP sludge as raw material and recycling plastic barrels, e-waste and used oil to SPCB-authorized parties. Additionally, broken tiles are repurposed back into our manufacturing processes.

We do not use any hazardous or toxic chemicals in our production processes. This proactive approach significantly reduces the potential generation of toxic waste.

For waste storage, we have designated specific areas to separately store hazardous waste and e-waste under lock and key, ensuring secure and compliant handling. For the transportation of waste, we arrange closed body trucks through authorized e-waste recyclers to ensure safe and secure removal from our facilities. Similarly, hazardous wastes like used oil are transported to recyclers in closed containers or drums, adhering to all safety and environmental standards.

**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
Not Applicable					

**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 entity is compliant with all applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act, along with rules thereunder. All necessary measures have been taken to ensure full compliance with these regulations, and the entity consistently adheres to environmental best practices to maintain compliance.

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
The Company is in compliance with all applicable Environmental Regulations.				

### 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:

- a. Name of the area
- b. Nature of operations

c. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilo litres)</b>		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>Water discharged by destination and level of treatment (in kilo litres)</b>		
(i) Into Surface water	Not Applicable	Not Applicable
a. No treatment		
b. With treatment – please specify level of treatment		
(ii) Into Groundwater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iii) Into Seawater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iv) Sent to third-parties		
a. No treatment		
b. With treatment – please specify level of treatment		
(v) Others		
a. No treatment		
b. With treatment – please specify level of treatment		
<b>Total volume of water discharged (in kilolitres) (i + ii + iii + iv + v)</b>		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.  
- Not Applicable

**2 Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Not Applicable	Not Applicable
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (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. - Not Applicable

**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 Initiative
1	Developed Temp-Shield tiles with an SRI value exceeding 90	Temp-Shield tiles, with their high Solar Reflective Index (SRI) value exceeding 90, not only reflect solar radiation effectively but also contribute positively to the environment. By maintaining cooler surface temperatures, these tiles reduce the heat island effect in urban areas, mitigate energy consumption for cooling purposes, and ultimately promote a more sustainable and comfortable living environment.	Reduced Heat Absorption, Lower Energy Consumption for Cooling & Mitigation of Urban Heat Island Effect
2	Use of Renewable Energy sources	<ol style="list-style-type: none"> <li>Both our plants have installed Solar power plants for generating electricity</li> <li>In addition to this we have increased the usage of biofuels for our process requirements</li> </ol>	<p>Due to Solar power plant, we were able to avoid 2,789 tCO<sub>2</sub>e</p> <p>In FY 23-24 we have increased our biofuels consumption per unit of production by 6%.</p>
3	Waste utilization	Granite sludge, which would otherwise be destined for landfill, is repurposed as a raw material in our production of tiles and ceramics.	Approx 12763 tons of fresh earth minerals were saved by recycling waste generated from granite industry

**5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, our entity has a comprehensive Business Continuity and Disaster Management Plan in place. The Risk Management Committee is responsible for developing these plans, which are designed to mitigate risks and manage potential uncertainties. Our objective is to quickly restore normal operations following any business interruption. Additionally, we have tailored Emergency Preparedness Plans for each location to effectively respond to specific incidents, including fire/explosions, HSD leakage/fire/storage, natural gas leakage, electric current leakage, structural collapse, natural calamities, and food poisoning. These measures ensure that we are well-prepared to handle emergencies and maintain continuous operations.

**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.**

All suppliers must adhere to the stipulations of the supplier code of conduct and extend them to their own suppliers. According to our company's code, suppliers must meet all environmental standards and regulations. They are expected to use resources efficiently, minimize negative environmental impacts related to energy, water, and waste, and dispose of waste in compliance with regulatory standards. Additionally, suppliers are encouraged to enhance their environmental performance continually by adopting cleaner and more resource-efficient technologies.

**7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

100% assessment done for Raw Material and Packaging material suppliers. (Annexure 1- General terms and conditions applicable to the supplies of goods and services to Somany Ceramics Limited)

**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.** 5
- 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	Indian Council of Ceramic Tiles and Sanitaryware (ICCTAS)	National
2	Confederation of Indian Industry (CII)	National
3	PHD Chamber of Commerce and Industry	National
4	Merchant Chamber of Commerce and Industry	National
5	The Associated Chambers of Commerce and Industry of India	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
No complaints/orders pertaining to anti-competitive behavior have been filed against the Company		

**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
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
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 ₹)
Not Applicable						

- 3 **Describe the mechanisms to receive and redress grievances of the community.**

Our company actively engages with local communities through our Corporate Social Responsibility (CSR) initiatives. We regularly identify and understand key concerns and grievances within the community. Based on these findings, we tailor our CSR programs to address these specific issues effectively. During the recent reporting period, we have not received any specific grievances from the community, indicating a positive response to our ongoing efforts and engagement strategies.

**4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)*</b>
Directly sourced from MSMEs/small producers	100%	100%
Directly from within India	100%	100%

\* Only for Raw Material

**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**

<b>Location</b>	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Rural	100%	100%
Semi-urban	-	-
Urban	-	-
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**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):**

<b>Details of negative social impact identified</b>	<b>Corrective action taken</b>
	Not Applicable

**2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

<b>S. No.</b>	<b>State</b>	<b>Aspirational District</b>	<b>Amount spent (In ₹)</b>
			Not Applicable

**3 (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, according to our Code of Conduct for Employees & Suppliers, we maintain a non-discriminatory approach in selecting our suppliers, ensuring equal opportunity for all potential suppliers. While we prioritize working with local suppliers near to our facilities to support community businesses, we do not have a specific policy that preferentially targets marginalized or vulnerable groups in our supplier selection criteria.

**(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
	In the current financial year, we don't have any intellectual properties owned or acquired based on traditional knowledge.			

**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
There were no intellectual property related disputes involving usage of traditional knowledge.		

**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	Mobile Health Unit & Othe Medical Services - (Tirupati) Mobile Health Unit & Other Medical Services - (Morbi) Mobile Health Unit & Other Medical Services - (Mehsana)	35,566	64.38%
2	Installation of Bio Toilets to maintain Sanitation & Prevent the outbreak of Diseases - (Sikkim)	35,000	100%
3	Swachh Bharat Program (Sanitation & Hygiene) - (Jhajjar)	4,75,000	80%
4	Promoting Education & Skill Development (Mason + Plumbing + Tailoring + Electrician + Computer Operator) - (Mehsana) Promoting Education and Skill Development (Mason + Plumbing + Tailoring + Electrician + Computer Operator) - (Tirupati)	2,100	100%
5	Plantation & Enabling Farmers to Enhance Income through Farm Ponds and Fruit Plantation - (Delhi)	30	100%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Somany Ceramics has established a comprehensive system for effectively addressing consumer concerns, ensuring a transparent and efficient process.

**Initial Handling and Escalation**

When a complaint is received through IVRS, call centers, mail, the website, or dealers, it is first managed by the sales and marketing team. This team escalates the issue to the quality team at the relevant manufacturing unit for a thorough assessment.

**1- Validation and Corrective Action**

Following a detailed evaluation, the quality team validates the complaint. Once validated, a corrective plan is developed and endorsed by the head of sales and marketing.

**2- Site Visits and Complaint Categorization**

Members of the technical services team visit the site to observe and assess the situation. Based on their observations, complaints are categorized as genuine or non-genuine.

**Resolution**

**1- Non-Genuine Complaints:** These are closed by demonstrating standard parameters to the concerned parties without any compensation.

**2- Genuine Complaints:** These are resolved by providing justified compensation, ensuring a win-win situation for all parties involved.



**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	0%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

**3 Number of consumer complaints in respect of the following:**

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	All queries were assisted in a timely manner in the current financial years.	Nil	Nil	All queries were assisted in a timely manner in the previous financial years.
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other (Product Quality)	1236	20		1228	28	

**4 Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
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.**

Somany Ceramics has established a Cyber Security Policy to ensure adequate measures are in place to prevent any potential data breaches. The Company maintains a well-established information security management system adhering to internationally recognized standards and best practices. Continual enhancements are made to its cybersecurity framework to defend against evolving cyber threats to its operations.

Somany Ceramics maintains a robust Cyber Security policy, recognizing the paramount importance of safeguarding all Information and Technology (IT) operations against cyber threats. The Company is committed to uphold a secure environment, the Company has implemented an ISO 27001:2013 certified Cyber Security framework. This framework enables the identification, monitoring, and mitigation of cyber risks effectively.

The web-link of the policy: [https://d3joggurz1vobr.cloudfront.net/investorrelations/s/c/scl\\_cyber\\_security\\_policy.pdf](https://d3joggurz1vobr.cloudfront.net/investorrelations/s/c/scl_cyber_security_policy.pdf)

**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.**

There was no need for corrective actions. Since, no issues arose during this reporting year.

**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	
c. Impact, if any, of the data breaches	

**Leadership Indicators****1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Company's website, [www.somanyceramics.com](http://www.somanyceramics.com), serves as a valuable resource for customers seeking information about the Company and its diverse range of products.

All relevant details are thoughtfully included on the product labels. Through proactive efforts such as distributing brochures, catalogues, and engaging in branding activities, the Company consistently updates the customers about its ever-expanding product line.

**2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Somany Ceramics ensures that its consumers are well-informed about the proper and safe usage of its products through a variety of channels. These include gatherings with masons, architects, and on-site demonstrations.

**3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company has embraced a proactive approach by implementing Standard Operating Procedures (SOPs) to efficiently manage potential disruptions to essential services. These well-structured procedures not only outline a systematic escalation process for addressing challenges but also serve as a framework for promoting business continuity and operational excellence. Employees are empowered through comprehensive training to vigilantly monitor critical services, enabling them to promptly identify and mitigate risks, thereby contributing to a culture of proactive risk management and continuous improvement.

**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.**

Yes, all product packaging displays specifications outlined in ISO 15622:2017.

**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, our company conducts a consumer satisfaction survey covering our major products and services, as well as significant locations of operation. This initiative helps us gain valuable insights into customer preferences and satisfaction levels, allowing us to tailor our offerings more effectively and enhance overall customer experience. The feedback collected is integral to our continuous improvement and strategic planning processes.

# Independent Auditor's Report

To the Members of Somany Ceramics Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Somany Ceramics Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone 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 Standalone 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 standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p><b>Valuation of trade and other financial assets</b></p> <p>The carrying amount of trade and other financial assets of the Company was Rs. 38,455.04 Lakhs as at March 31, 2024.</p> <p>(Refer Note no. 2.16, 5, 6, 10, 13 and 14 to the standalone financial statements.)</p> <p>The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>We focused on this area because of its significance and the degree of judgment required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p><b>How our audit addressed the key audit matter.</b></p> <p>We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits (ICD) and business exigencies for other financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables.</p> <p>We have obtained year-end balance confirmations for inter corporate deposits and obtained confirmation from selected customers as on date determined by us. In case of confirmations not received from the customers, we have verified the subsequent realization, wherever received. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment.</p>

## Independent Auditor's Report (Contd.)

S.N.	Key Audit Matter	Auditor's Response
	Accordingly, due to complexity/ judgement involved in identification of expected credit loss, valuation of trade and other financial assets were determined to be a key audit matter in our audit of the standalone financial statements.	We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other financial assets to be reasonable.
2.	<p><b>Valuation of inventories</b></p> <p>As at March 31, 2024, the total carrying amount of inventories was Rs. 19,176.96 Lakhs (Refer Note 2.13 and 8 to the standalone financial statements)</p> <p>The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.</p> <p>Accordingly, due to complexity/ judgement involved in inventory valuation, inventory valuation was determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p><b>How our audit addressed the key audit matter.</b></p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

### OTHER INFORMATION

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Corporate Governance Report, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the such other information is materially inconsistent with the standalone 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 STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

## Independent Auditor's Report (Contd.)

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statement 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

## Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. A. 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 except for the matters stated in paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- B. 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:
  - (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;
  - (b) The Company did not have any material foreseeable losses in long term contracts including derivative contracts;
  - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (d) i. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 59B(via) to the standalone financial statements, 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

## Independent Auditor's Report (Contd.)

- ii. The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 59B(vib) to the standalone financial statements, 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
  - iii. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) above contain any material mis-statement.
- (e) As stated in Note 49 to the standalone financial statements
- i. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - ii. The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

- (f) The Company has used accounting software (SAP) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the SAP and the audit trail feature has not been tampered with. However, the feature of recording of audit trail (edit log) facility was not enabled at database level to log any direct data changes for the accounting software used for maintaining the books of account in SAP.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No. 302049E

**Bimal Kumar Sipani**

Partner

Place: Noida (Delhi-NCR)

Date: May 15, 2024

Membership No. 088926

UDIN: 24088926BKELWZ8774

**Annexure A** to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Standalone Financial Statements as of and for the year ended on March 31, 2024 (refer to in paragraph 1 of our report on other legal and regulatory requirements)

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified once in every three years in phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with this program, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed.
- (c) Based on the records examined by us, The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements, are held in the name of the Company except following immovable properties acquired by the Company pursuant to Scheme of Amalgamation

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	9.53	Erstwhile Schablona India Limited	No	April 01, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal.	Property acquired pursuant to Scheme of Amalgamation, effect of the same has not been given in the title deed by respective Government authorities
Property, Plant and Equipment	Building	155.59	(Amalgamating Company)	No		

- (d) On the basis of our examination of records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Therefore, provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- ii) (a) According to the information and explanations given to us and records examined by us, the inventories have been physically verified by the management during the year and in our opinion, coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to the book records.
- (b) According to the information and explanations given to us and records examined by us, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate, from banks on the basis of security of current assets. There is no material difference between books of account of the respective quarters and quarterly returns/ statements or revised returns/statements filed by the Company with the banks. The Company has not been sanctioned working capital limits from any financial institution.



## Annexure A to Independent Auditor's Report (Contd.)

- iii) (a) Based on the books of account examined by us and according to information and explanation given to us, the Company has granted unsecured loans or provided advances in the nature of loans, or stood guarantee, or provided security during the year to the followings:

Particulars (in ₹ Lakhs)	Guarantees	Security	Loans	Advances in nature of Loans
<b>Aggregate amount granted/provided during the year:</b>				
-Subsidiaries*	-	-	2,910.00	-
-Associates	-	-	-	-
-Joint Ventures	-	-	-	-
-Others	-	-	-	-
<b>Balance outstanding as at balance sheet date in respect of above cases:</b>				
-Subsidiaries*	-	-	2,884.50	-
-Associates	-	-	-	-
-Joint Ventures	-	-	-	-
-Others	-	-	-	-

\*Subsidiaries as per Indian Accounting Standards

- (b) In our opinion and according to the information and explanations given to us, the investments made during the year and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the Company's interest.
- (c) The schedule of repayment of principal and payment of interest with respect to loans have been stipulated and repayments or receipts of interest have been regular during the year.
- (d) Based on the books of account and other relevant records examined by us, there is no amount overdue for more than 90 days as at March 31, 2024.
- (e) According to the information and explanations given to us and records examined by us, we have not come across any case where the loans granted which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to the information and explanations given to us and records examined by us, no loans have been granted during the year which are either repayable on demand or without specifying any terms or period of repayment. Therefore, provisions of the clause 3(iii)(f) of the Order are not applicable to the Company.
- iv) According to information and explanations given to us and based on audit procedures performed by us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted and investments made during the year. The Company has not given any guarantee or security during the year. There is no loan granted or guarantee or security provided under section 185 of the Companies Act, 2013.
- v) The Company has not accepted any deposit or amounts during the year which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act, 2013. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 for the product manufactured by the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for

## Annexure A to Independent Auditor's Report (Contd.)

a period of more than six months from the date they became payable. Please refer note 37(B) to the standalone financial statements regarding management's assessment on certain matter related to provident fund.

- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount (Rs. in Lakhs)#	Forum where dispute is pending
The Sales Tax Act / The Value Added Tax	Demand of Entry Tax	2012-13 to 2016-17	38.88	Hon'ble High Court of Kolkata
	Demand of Turnover Tax	2011-12 and 2012-13	27.77	Deputy Commissioner, Commercial Taxes, Ahmedabad
The Central Excise Act, 1944 and the Finance Act, 1994	Demand for reversal of Cenvat credit	Financial Year 2016-17 to 2017-18	287.87	CESTAT Chandigarh
	Demand for Cenvat credit	Financial Year 2016-17	19.94	CESTAT Ahmedabad
The Income Tax Act, 1961	Demand of Income Tax including penalties	Assessment Year 2012-13, 2014-15 to 2017-18, 2020-21 and 2022-23	38.19	Commissioner of Income Tax (Appeal), Kolkata
The E.S.I Act, 1948	Demand for Contribution	Financial Year 2014-15	15.41	Employee State insurance Corporation, RO-Ahmedabad
Local Area Development Tax	Entry Tax	Financial Year 2002-03, 2006-07 and April 2017 to June 2017	810.78	Hon'ble Punjab and Haryana High Court

#Above is excluding amount and interest to the extent not quantified by the assessing authority.

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon during the year.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or Government or any Government authority.
- c. Based on the books of account examined by us, term loans were applied for the purpose for which the loans were obtained during the year.
- d. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate. The Company has no joint venture. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. According to the information and explanations given to us, the Company has not raised loan during the year on the pledge of securities held in its subsidiaries or associate. The Company has no joint venture.

## Annexure A to Independent Auditor's Report (Contd.)

- x) a. During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Therefore, provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. 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 and considering the principles of materiality outlined in Standards on Auditing, for the purpose of reporting the true and fair view of the standalone 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 during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year
- c. According to the information and explanations given to us, no whistle blower complaints were 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. Therefore, the provisions of Clause 3(xii) of the Order are 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, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv) a. In our opinion and according to information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act, 2013. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are 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 to us, there is no CIC as part of the Group.
- xvii) The Company has not incurred cash loss in the current 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 auditor 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 standalone 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

## Annexure A to Independent Auditor's Report (Contd.)

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) The Company has given funds to a Trust registered for carrying out the CSR activities as specified in the Note 57 to the standalone financial statements. The Trust has furnished certificate for fully utilization of such funds as on March 31, 2024 for CSR activities as advised by the Company. Accordingly, The Company has no

unspent amount relating to CSR activities which is required to be transferred to a fund specified in Schedule VII to the Companies Act 2013. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

**For Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

**Bimal Kumar Sipani**

Partner

Membership No. 088926

UDIN: 24088926BKELWZ8774

Place: Noida (Delhi-NCR)

Date: May 15, 2024

## **Annexure B** to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Standalone Financial Statements as of and for the year ended on March 31, 2024 (refer to in paragraph 2A(g) of our report on other legal and regulatory requirements)

We have audited the internal financial controls with reference to standalone financial statements of Somany Ceramics Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to the standalone financial statement based on the internal control over the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls with reference to standalone financial statements, Those Standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial

statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone financial statements, whether due to fraud or error.

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 with reference to standalone financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization 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 standalone financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are

## Annexure B to Independent Auditor's Report (Contd.)

subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to standalone financial statements 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 Reg. No. 302049E

**Bimal Kumar Sipani**

Partner

Membership No. 088926

UDIN: 24088926BKELWZ8774

Date: May 15, 2024

Place: Noida (Delhi-NCR)

# Standalone Balance Sheet

As at 31 March, 2024  
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3 (i)	41,081.00	41,850.99
Capital work-in-progress	3 (ii)	804.09	90.62
Right of use Assets	3 (iii)	3,835.66	4,294.08
Other Intangible Assets	3 (iv)	14.87	12.10
<b>Financial Assets</b>			
(i) Investments	4	30,716.34	13,159.78
(ii) Loans	5	5,353.50	18,342.10
(iii) Other Financial Assets	6	1,231.89	1,141.27
Other Non-Current Assets	7	205.17	140.86
		<b>83,242.52</b>	<b>79,031.80</b>
<b>Current Assets</b>			
Inventories	8	19,176.96	22,125.33
<b>Financial Assets</b>			
(i) Investments	9	1,304.93	2,962.72
(ii) Trade Receivables	10	31,056.42	26,184.20
(iii) Cash and Cash Equivalents	11	5,062.75	10,967.35
(iv) Bank Balances other than (iii) above	12	32.65	35.77
(v) Loans	13	135.00	480.00
(vi) Other Financial Assets	14	678.23	1,540.86
Current Tax Assets (net)	15	549.35	1,010.24
Other Current Assets	16	2,576.68	2,574.39
		<b>60,572.97</b>	<b>67,880.86</b>
		<b>1,43,815.49</b>	<b>1,46,912.66</b>
<b>Total Assets</b>			
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	17	820.07	849.48
Other Equity	18	71,496.76	77,471.32
		<b>72,316.83</b>	<b>78,320.80</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	19	403.45	800.78
(ii) Lease Liabilities		3,412.71	3,778.44
(iii) Others Financial Liabilities	20	3,185.94	3,044.05
Provisions	21	980.52	931.24
Deferred Tax Liabilities (Net)	22	2,511.69	2,241.88
Other Non-Current Liabilities	23	867.18	602.97
		<b>11,361.49</b>	<b>11,399.36</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	24	997.94	16,812.12
(ii) Lease Liabilities		828.28	807.35
(iii) Trade Payables	25		
Outstanding dues of Micro Enterprises & Small Enterprises		4,660.70	4,074.99
Outstanding dues other than Micro Enterprises & Small Enterprises		43,592.21	25,506.75
(iv) Other Financial Liabilities	26	3,048.05	2,290.09
Other Current Liabilities	27	6,560.84	7,222.62
Provisions	28	449.15	478.58
		<b>60,137.17</b>	<b>57,192.50</b>
		<b>1,43,815.49</b>	<b>1,46,912.66</b>
<b>Total Equity and liabilities</b>			

Material Accounting Policies and other Notes to Standalone Financial Statements 1 to 62.  
The accompanying Notes are an integral part of the Standalone Financial Statements.

#### As per our report of even date attached

##### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

##### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida  
Date: 15 May, 2024

#### For and on behalf of Board of Directors

##### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

##### Amit Sahai

CEO - Tiles Business  
PAN: AHOPSI790C

##### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

##### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

##### Amrisha Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

## Standalone Statement of Profit and Loss

For the year ended 31 March, 2024  
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>I. Income</b>			
Revenue from Operations	29	2,53,448.07	2,44,270.07
Other Income	30	2,812.07	2,768.14
<b>Total Revenue (I)</b>		<b>2,56,260.14</b>	<b>2,47,038.21</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	31	26,211.34	30,421.83
Purchases of Stock-in-Trade		1,35,831.92	1,30,679.13
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	32	2,282.28	(6,893.66)
Employee Benefits Expense	33	24,238.84	21,713.35
Finance Costs	34	777.26	787.25
Depreciation and Amortization Expenses	3	4,662.74	4,356.61
Other Expenses	35	47,971.82	53,685.33
<b>Total Expenses (II)</b>		<b>2,41,976.20</b>	<b>2,34,749.84</b>
<b>III. Profit Before Exceptional Items and Tax (I-II)</b>		<b>14,283.94</b>	<b>12,288.37</b>
IV. Exceptional Items	47	(119.85)	96.79
<b>V. Profit before tax (III-IV)</b>		<b>14,403.79</b>	<b>12,191.58</b>
VI. Tax Expense:			
(1) Current Tax	22		
- Current year		3,756.89	3,140.36
- For earlier years		-	82.55
(2) Deferred Tax Charge/(Credit)	22	269.81	(39.80)
<b>VII. Profit for the year (V-VI)</b>		<b>10,377.09</b>	<b>9,008.47</b>
<b>VIII. Other Comprehensive Income (OCI)</b>			
(1) Items that will not be reclassified to profit & loss		10.30	(101.21)
Income Tax relating to above	22	(2.59)	25.47
(2) Items that will be reclassified to profit & loss		-	-
<b>IX. Total Comprehensive Income for the year (VII+VIII)</b>		<b>10,384.80</b>	<b>8,932.73</b>
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	36		
<b>Basic (in ₹)</b>		<b>24.64</b>	<b>21.21</b>
<b>Diluted (in ₹)</b>		<b>24.61</b>	<b>21.21</b>

Material Accounting Policies and other Notes to Standalone Financial Statements 1 to 62.

The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For and on behalf of Board of Directors

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Shreekant Somany**

Chairman & Managing Director  
DIN: 00021423

**Abhishek Somany**

Managing Director & CEO  
DIN: 00021448

**Bimal Kumar Sipani**

Partner  
M. No. 088926

**Amit Sahai**

CEO - Tiles Business  
PAN: AHOPSI1790C

**Sailesh Raj Kedawat**

Chief Financial Officer  
ICAI M. No. 77330

**Ambrish Julka**

Sr. GM - Legal and Company Secretary  
M. No.: F4484

Place: Noida  
Date: 15 May, 2024



## Standalone Statement of Change in Equity for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Equity Share Capital &amp; Reconciliation of number of shares outstanding at the beginning and end of the year :</b>				
Balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Buyback of equity shares	(14,70,588)	(29.41)	-	-
Balance at the end of the year	<b>4,10,03,620</b>	<b>820.07</b>	<b>4,24,74,208</b>	<b>849.48</b>

### (b) Other Equity

Particulars	Reserves and Surplus							Total
	Capital Redemption Reserve	Capital Reserve	Share options outstanding account	Security Premium	General Reserve	Total Retained earnings		
						Retained earnings	Remeasurement of defined benefit plans	
<b>Balance at 31 March, 2023*</b>	<b>78.43</b>	<b>(4,377.31)</b>	<b>259.15</b>	<b>16,991.77</b>	<b>6,111.96</b>	<b>58,506.64</b>	<b>(99.32)</b>	<b>77,471.32</b>
Profit for the year	-	-	-	-	-	10,377.09	-	10,377.09
Recognition of share based payments	-	-	428.28	-	-	-	-	428.28
Buyback of equity shares, including tax thereon	29.41	-	-	(15,375.73)	(29.41)	-	-	(15,375.73)
Transaction cost related to buyback of equity shares	-	-	-	(137.68)	-	-	-	(137.68)
Other Comprehensive Income for the year	-	-	-	-	-	-	7.71	7.71
<b>Total comprehensive income for the year</b>	<b>29.41</b>	<b>-</b>	<b>428.28</b>	<b>(15,513.41)</b>	<b>(29.41)</b>	<b>10,377.09</b>	<b>7.71</b>	<b>(4,700.33)</b>
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23
<b>Balance at 31 March, 2024</b>	<b>107.84</b>	<b>(4,377.31)</b>	<b>687.43</b>	<b>1,478.36</b>	<b>6,082.55</b>	<b>67,609.50</b>	<b>(91.61)</b>	<b>71,496.76</b>
<b>Balance at 31 March, 2022*</b>	<b>78.43</b>	<b>(4,377.31)</b>	<b>-</b>	<b>16,991.77</b>	<b>6,111.96</b>	<b>50,772.40</b>	<b>(23.58)</b>	<b>69,553.67</b>
Profit for the year	-	-	-	-	-	9,008.47	-	9,008.47
Recognition of share based payments	-	-	259.15	-	-	-	-	259.15
Other Comprehensive Income for the year	-	-	-	-	-	-	(75.74)	(75.74)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>259.15</b>	<b>-</b>	<b>-</b>	<b>9,008.47</b>	<b>(75.74)</b>	<b>9,191.88</b>
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23
<b>Balance at 31 March, 2023</b>	<b>78.43</b>	<b>(4,377.31)</b>	<b>259.15</b>	<b>16,991.77</b>	<b>6,111.96</b>	<b>58,506.64</b>	<b>(99.32)</b>	<b>77,471.32</b>

\*There are no changes in other equity due to prior period errors.

**Capital Redemption Reserve:** This Reserve has been created by an appropriation from one component of equity (Free reserves) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Share options outstanding account:** This Reserve relates to stock options granted by the Company to employees under Somany Employee Stock Option Scheme(ESOP) 2021 and ESOP 2023. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

## Standalone Statement of Change in Equity for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

**General reserve:** This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Capital Reserve :** It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation in earlier years of ₹ (4,592.11) Lakhs; b.) amalgamation Reserve of ₹ 191.27 Lakhs; c.) reserve of ₹ 22.90 Lakhs against maturity of special bearer bonds of RBI received and Bonus Shares issued by amalgamating Companies; d) others of ₹ 0.63 Lakhs and can be utilized in accordance with the provisions of Companies Act, 2013

The accompanying Notes are an integral part of the Standalone Financial Statements.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

#### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Ambrish Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

## Standalone Statement of Cash Flows for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit before Tax as per Statement of Profit &amp; Loss</b>	14,403.78	12,191.58
I. Adjusted For :		
Depreciation and Amortization Expenses	4,662.74	4,356.61
Finance Costs	777.27	787.25
Interest Income	(2,482.83)	(2,226.23)
(Profit)/Loss on Sales of Investments (Net)*	1,171.59	(21.92)
Unrealized Foreign Exchange (Gain)/Loss (Net)	(2.87)	2.23
Net Movement on Fair Value of Current Investments*	(1,680.15)	(81.80)
Provision for Credit Losses/doubtful advances	214.76	482.20
Bad Debts	3.13	7.16
Deferred Income	-	(102.39)
Loss on divestment in a subsidiary*	336.60	96.79
Provision for Employee stock option plan	428.28	259.15
Sundry Balances Written Off	0.09	12.00
Sundry Balances Written Back	(226.31)	(86.92)
(Profit)/Loss on sale of Property Plant and Equipment (Net)	(112.49)	(171.01)
Property, Plant and Equipments Discarded /Written off	114.40	21.17
<b>Operating Profit Before Working Capital Changes</b>	<b>17,607.99</b>	<b>15,525.87</b>
II. Adjusted For :		
Trade and Other Receivables	(5,006.11)	(3,238.46)
Inventories	2,948.37	(7,248.03)
Trade and Other Payables	18,987.69	9,118.31
<b>Cash Generated from Operation</b>	<b>34,537.94</b>	<b>14,157.69</b>
Income Taxes Refund/(Paid)	(3,298.58)	(2,294.18)
<b>Net Cash Inflow/(Outflow) from Operating Activities (A)</b>	<b>31,239.36</b>	<b>11,863.51</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(3,913.32)	(3,372.05)
Sale of Property, Plant and Equipment	399.63	302.25
Consideration received from divestment in a Subsidiary	428.40	362.21
Investments in Subsidiaries and Associate	(17,535.49)	(3,999.00)
Sale of Current Investments	1,839.21	3,040.00
Interest Received	2,864.29	1,084.63
Inter-Corporate Deposits Given	(2,910.00)	(9,473.00)
Inter-Corporate Deposits Received Back	16,243.60	5,322.99
(Investment)/Maturity in Fixed Deposits	-	4,062.82
<b>Net Cash Inflow/(Outflow) in Investing Activities (B)</b>	<b>(2,583.68)</b>	<b>(2,669.15)</b>

## Standalone Statement of Cash Flows for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Non Current Borrowings	744.54	563.19
Repayment of Non Current Borrowings	(1,585.21)	(2,514.54)
Proceeds/(Repayment) of Current Borrowings (net)	(15,370.84)	(1,919.87)
Proceeds from Short Term Loans	15,463.21	1,592.62
Repayment of Short Term Loans	(15,463.21)	(1,592.62)
Buyback of equity shares, including tax and expenses thereon	(15,542.82)	-
Payment of Lease Liabilities	(754.37)	(674.63)
Interest Paid	(777.35)	(787.49)
Dividend Paid	(1,274.23)	(1,274.23)
<b>Net Cash Inflow/(Outflow) from Financing Activities (C)</b>	<b>(34,560.28)</b>	<b>(6,607.57)</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(5,904.60)</b>	<b>2,586.79</b>
<b>Cash And Cash Equivalents</b>		
At the beginning of the year	10,967.35	8,380.56
<b>At the year end</b>	<b>5,062.75</b>	<b>10,967.35</b>

Notes :

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash & Cash Equivalents represents cash and bank balances (Refer note no.11).
- Additional Disclosure required under Ind AS 7, (Refer note no. 54).
- \*includes Item disclosed under Exceptional items in Statement of Profit & Loss (Refer Note No. 47).
- The accompanying Notes are an integral part of the Standalone Financial Statements.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
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Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Amrisha Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 1 REPORTING ENTITY

Somany Ceramics Limited referred to as "the Company" is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended 31 March, 2024 were approved for issue by the board of directors on 15 May, 2024. However, the shareholders of the Company have the power to amend the Financial Statements after the issue.

## 2 MATERIAL ACCOUNTING POLICIES

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

### 2.1 Statement of compliance

The standalone financial statements of Somany Ceramics Limited ("the Company") comply with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

### 2.2 Basis of preparation and measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortized cost.
- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Share based payments are initially measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

### 2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

### 2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

### Judgements

Information about the judgements made in applying accounting policies that have the most material effects on the amounts recognized in the financial statements have been given below:

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- Assessment of reliability of inputs considered for fair valuation of financial assets and liabilities falls under hierarchy Level 3.
- Assessment of appropriate inputs to the Black Scholes Model for valuation of share based payments including the expected life of the share option, volatility and dividend yield and making assumptions about them.

### 2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

### An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

### An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 2.6 Property, Plant and Equipment

#### Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. cost includes deemed cost w.r.t assets acquired prior to 01 April, 2017 which represents the carrying value of property, plant and equipment as at 01 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

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.

## Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that there is a future economic benefits associated with the expenditure will flow to the Company.

## Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, whichever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

## Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognized impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use and commissioning has been completed.

## De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit & Loss.

## 2.7 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Cost includes deemed cost w.r.t assets acquired prior to 01 April, 2017 which represents the carrying value of property, plant and equipment as at 01 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortization methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit & Loss when the asset is derecognized.

## 2.8 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

estimated future cash flows, 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 or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit & Loss.

### 2.9 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortized on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognized in the Statement of Profit & Loss in the period in which they are incurred.

### 2.10 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the Statement of Profit & Loss with the exception of the following:

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### 2.11 Employee benefits

#### Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement



## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

### 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 Payment".

The Company initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred which has been considered most appropriate model. 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 no. 48

### 2.12 Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. This is achieved when control of the product has been transferred to the customer, which is generally determined

when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue component of revenue.

Revenue (other than sale of goods) is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Transaction price represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc. For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognized on an accrual basis using the effective interest method.

### 2.13 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of manufactured finished goods and work in progress is determined by taking cost of material consumed, labour and related overheads. Cost of raw materials and packing materials, stock in trade and stores & spares are computed on weighted average basis. Purchases cost of raw materials and packing materials, stock in trade and stores & spares are net of input tax credits, rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

to be sold at or above cost. Provision for cost of obsolescence and other anticipated losses, wherever considered necessary, are recognized in the books of account.

### 2.14 Provisions, Contingent Liabilities

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

### 2.15 Measurement of fair value

#### a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

#### b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data. If fair value cannot be measured reliably unlisted shares are recognized at cost.

### 2.16 Financial instruments

#### A Financial Assets

##### i) Initial recognition and measurement

Financial assets (except trade receivables) are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade

receivables that do not contain a significant financing component are measured at transaction price.

##### ii) Classifications and Subsequent measurement

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### a) Financial assets at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognized in the Statement of Profit & Loss.

##### b) Financial assets at fair value through Profit & Loss (FVTPL)

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

All other Financial Instruments are classified as measured at FVTPL except investment in equity instruments of subsidiaries which are carried at cost less provision for impairment, if any.

### iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the

original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the Statement of Profit & Loss.

### v) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

## B Financial liabilities

### i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

### ii) Classifications and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

### 2.17 Income tax

Income tax expense comprises current and deferred tax. It is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in Equity or in Other Comprehensive Income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

### 2.18 Leases

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.

#### Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

#### Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

#### Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the Balance Sheet.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate

### Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any

identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### 2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### 2.20 Government Grants

Government grants are recognized at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Grants such accrued are credited to the statement of profit and loss.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

### 2.21 Standard issued but not yet 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 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

3.

### (i) Property, Plant and Equipment (FY 2023-24)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Tangible Assets</b>										
Freehold land	315.58	-	-	315.58	-	-	-	-	315.58	315.58
Buildings	10,881.07	79.25	-	10,960.32	2,488.90	381.57	-	2,870.47	8,392.17	8,089.85
Plant and equipments	39,204.32	1,038.02	1,558.22	38,684.12	9,859.17	2,190.08	1,363.54	10,685.71	29,345.15	27,998.40
Office equipments	1,937.64	303.35	100.70	2,140.29	1,412.44	218.44	89.24	1,541.64	525.20	598.65
Furniture and fixtures	3,166.74	275.05	72.59	3,369.20	1,747.71	340.53	57.66	2,030.58	1,419.03	1,338.62
Vehicles	3,257.94	1,720.86	715.22	4,263.58	1,404.08	654.72	535.11	1,523.69	1,853.86	2,739.89
<b>Total</b>	<b>58,763.29</b>	<b>3,416.53</b>	<b>2,446.73</b>	<b>59,733.09</b>	<b>16,912.30</b>	<b>3,785.34</b>	<b>2,045.55</b>	<b>18,652.09</b>	<b>41,850.99</b>	<b>41,081.00</b>

### (ii) Capital Work in Progress (FY 2023-24)

Capital work-in-progress as at 31 March, 2024 is ₹ 804.09 Lakhs.

₹ 2,164.44 Lakhs is addition to Capital works in progress during the year ended 31 March, 2024.

₹ 1,450.97 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2024.

### (iii) Right of Use Assets (FY 2023-24)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Right of use Assets</b>										
Leasehold lands	343.97	-	-	343.97	20.39	4.09	-	24.48	323.58	319.49
Buildings	6,816.75	409.56	26.22	7,200.09	2,846.25	863.53	25.86	3,683.92	3,970.50	3,516.17
<b>Total</b>	<b>7,160.72</b>	<b>409.56</b>	<b>26.22</b>	<b>7,544.06</b>	<b>2,866.64</b>	<b>867.62</b>	<b>25.86</b>	<b>3,708.40</b>	<b>4,294.08</b>	<b>3,835.66</b>

### (iv) Other Intangible Assets (FY 2023-24)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Intangible Assets</b>										
Computer Softwares	1,059.42	12.55	-	1,071.97	1,047.32	9.78	-	1,057.10	12.10	14.87
<b>Total</b>	<b>1,059.42</b>	<b>12.55</b>	<b>-</b>	<b>1,071.97</b>	<b>1,047.32</b>	<b>9.78</b>	<b>-</b>	<b>1,057.10</b>	<b>12.10</b>	<b>14.87</b>

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

3.

### (i) Property, Plant and Equipment (FY 2022-23)

Particulars	Gross Block				Depreciation				Net Block		
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	
<b>Tangible Assets</b>											
Freehold land	315.58	-	-	315.58	-	-	-	-	315.58	315.58	
Buildings	10,404.92	476.15	-	10,881.07	2,124.31	364.59	-	2,488.90	8,280.61	8,392.17	
Plant and equipments	33,946.24	5,398.25	140.17	39,204.32	7,919.35	2,046.67	106.85	9,859.17	26,026.89	29,345.15	
Office equipments	1,715.23	331.07	108.66	1,937.64	1,272.93	236.67	97.16	1,412.44	442.30	525.20	
Furniture and fixtures	4,273.85	429.02	1,536.13	3,166.74	2,936.71	332.31	1,521.31	1,747.71	1,337.14	1,419.03	
Vehicles	2,871.94	928.75	542.75	3,257.94	1,303.26	496.06	395.24	1,404.08	1,568.68	1,853.86	
<b>Total</b>	<b>53,527.76</b>	<b>7,563.24</b>	<b>2,327.71</b>	<b>58,763.29</b>	<b>15,556.56</b>	<b>3,476.30</b>	<b>2,120.56</b>	<b>16,912.30</b>	<b>37,971.20</b>	<b>41,850.99</b>	

### (ii) Capital Work in Progress (FY 2022-23)

Capital work-in-progress as at 31 March, 2023 is ₹ 90.62 Lakhs.

₹ 2,023.46 Lakhs is addition to Capital works in progress during the year ended 31 March, 2023.

₹ 6,360.90 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2023.

### (iii) Right of Use Assets (FY 2022-23)

Particulars	Gross Block				Amortization				Net Block		
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	
<b>Right of use Assets</b>											
Leasehold lands	343.97	-	-	343.97	16.30	4.09	-	20.39	327.67	323.58	
Buildings	5,267.91	1,902.30	353.46	6,816.75	2,164.15	861.89	179.79	2,846.25	3,103.76	3,970.50	
<b>Total</b>	<b>5,611.88</b>	<b>1,902.30</b>	<b>353.46</b>	<b>7,160.72</b>	<b>2,180.45</b>	<b>865.98</b>	<b>179.79</b>	<b>2,866.64</b>	<b>3,431.43</b>	<b>4,294.08</b>	

### (iv) Other Intangible Assets (FY 2022-23)

Particulars	Gross Block				Amortization				Net Block		
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	
<b>Intangible Assets</b>											
Computer Softwares	1,056.88	2.54	-	1,059.42	1,032.99	14.33	-	1,047.32	23.89	12.10	
<b>Total</b>	<b>1,056.88</b>	<b>2.54</b>	<b>-</b>	<b>1,059.42</b>	<b>1,032.99</b>	<b>14.33</b>	<b>-</b>	<b>1,047.32</b>	<b>23.89</b>	<b>12.10</b>	

#### Note:

1. Assets pledged and Hypothecated against borrowings: Refer note no. 19 & 24.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### Title deeds of Immovable Properties not held in name of the Company as at 31 March, 2024 and 31 March, 2023

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	9.53	Erstwhile Schablona India Limited (Amalgamating Company)	No	April 01, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal.	Property acquired pursuant to scheme of amalgamation, effect of the same has not been given in the title deed by respective Government authorities.
Property, Plant and Equipment	Building	155.59		No		

#### 4. NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Investment in Equity Instruments (Unquoted, fully paid up)</b>		
<b>Subsidiary Companies (measured at cost)</b>		
a) 26,85,000 Equity Shares (Previous Year - 26,85,000) of ₹ 10/- each of SR Continental Ltd.*	268.50	268.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹ 10/- each of Somany Bathware Ltd.*	50.00	50.00
c) 53,04,000 Equity Shares (Previous year - 53,04,000) of ₹ 10/- each of Amora Tiles Pvt. Ltd.	530.40	530.40
d) Nil Equity Shares (Previous year - 76,50,000) of ₹ 10/- each of Somany Fine Vitrified Pvt. Ltd.	-	765.00
e) 35,10,000 Equity Shares (Previous year - 35,10,000) of ₹ 10/- each of Somany Excel Vitrified Pvt. Ltd.*	351.00	351.00
f) 50,49,000 Equity Shares (Previous year - 50,49,000) of ₹ 10/- each of Somany Sanitaryware Pvt. Ltd.	550.01	550.01
g) 45,00,000 Equity Shares (Previous year - 45,00,000) of ₹ 10/- each of Vintage Tiles Pvt. Ltd. \$	1,399.50	1,399.50
h) 5,00,00,000 Equity Shares (Previous year - 96,50,000) of ₹ 10/- each of Somany Piasterelle Pvt. Ltd.*	5,000.00	965.00
i) 25,35,000 Equity Shares (Previous year - 25,35,000) of ₹ 10/- each of Vicon Ceramics Pvt. Ltd. \$	253.50	253.50
j) 3,36,75,000 Equity Shares (Previous year - 2,16,75,000) of ₹ 10/- each of Sudha Somany Ceramics Pvt. Ltd.	3,367.50	2,167.50
k) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹ 10/- each of Acer Granito Pvt. Ltd. \$	511.00	511.00
l) 18,59,100 Equity Share (Previous Year - 18,59,100) of ₹ 10/- each of Somany Bath Fittings Pvt. Ltd.*	1,348.37	1,348.37
m) 6,00,00,000 Equity Share (Previous Year - 4,00,00,000) of ₹ 10/- each of Somany Max Pvt. Ltd. (w.e.f 22 February, 2022)*	6,000.00	4,000.00



## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 4. NON-CURRENT INVESTMENTS (CONTD.)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Investment in Equity Instruments (Unquoted, fully paid up)</b>		
<b>Associate Company (measured at cost)</b>		
a) 4,900 Equity Shares (Previous year - Nil) of ₹ 10/- each of Clean Max Ananta Pvt. Ltd.(c)	0.49	-
<b>Investment in Preference Shares</b>		
<b>Subsidiary Companies (measured at amortized cost)</b>		
a) 2,80,00,000 (Previous year - Nil) 11% Cumulative Non-Convertible Redeemable Preference shares of ₹ 10/- each of Somany Max Pvt. Ltd.	3,052.46	-
b) 7,50,00,000 (Previous year - Nil) 10.5% Cumulative Non-Convertible Redeemable Preference shares of ₹ 10/- each of Somany Piasterelle Pvt. Ltd.	8,033.61	-
	<b>30,716.34</b>	<b>13,159.78</b>
* including share held by the nominee share holders.		
‡ Considered as subsidiary under Ind-AS.		
<b>a. Aggregate amount of investments are given below:</b>		
Aggregate cost of unquoted investments	30,716.34	13,159.78

- b. None of the above investments are listed on any stock exchange in India or outside India and these investments are carried at cost. There is no accumulated impairment as at current and previous year end.
- c. The Company has made investment in 49% equity shares of Clean Max Ananta Pvt. Ltd("CMAPL") on 07 March, 2024 and became associate of the Company. Subsequent to reporting date, the Company has entered into various agreements with the other shareholder of CMAPL which restrict the Company to participate in the financial and operating policy decisions of the CMAPL. Therefore, the CMAPL cease to be an associate under IND AS, however, CMAPL continue as associate under the Companies act, 2013.

### 5. LOANS

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
<b>Inter Corporate Deposits (ICD)</b>		
- With Related Parties #	5,353.50	18,082.00
- With Others	-	260.10
	<b>5,353.50</b>	<b>18,342.10</b>

# For detail of loans to related parties, Refer note no. 42, Related Party Transactions.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 6. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	0.25	0.25
Bank Deposits held as Margin Money	186.10	175.37
Security Deposits		
- With Related Party#	105.00	105.00
- With Others	940.54	860.65
	<b>1,231.89</b>	<b>1,141.27</b>

# For detail of security deposits to related parties, Refer note no. 42, Related Party Transactions.

### 7. OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital Advances	82.83	59.93
Prepaid Expenses	17.14	10.76
Deposits with Government Departments (under Protest)	105.20	70.17
	<b>205.17</b>	<b>140.86</b>

### 8. INVENTORIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials and Packing Materials	2,091.68	2,416.03
Work-in-Progress	781.87	714.00
Finished Goods	10,204.60	11,014.22
Stock in Trade	4,209.37	5,749.90
Stores and Spares	1,889.44	2,231.18
	<b>19,176.96</b>	<b>22,125.33</b>

- Inventories are hypothecated to secured borrowings. Refer note no. 19 & 24.
- During the year ₹ 93.10 Lakhs (previous year Nil) has been charged to Statement of Profit and Loss on account of write down of inventories; Nil (previous year ₹ 124.01 Lakhs) has been credited to the Statement of Profit and Loss on account of reversal of write down of inventories due to reduction in slow moving finished goods and included in change of inventories of finished goods.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 9. CURRENT INVESTMENTS

Particulars	As at 31 March, 2024		As at 31 March, 2023	
<b>A) Investments in Non Convertible Debentures (Quoted) (valued at fair value through profit &amp; loss - fully paid up)</b>				
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Ltd Bonds (NCD)		300.00		340.00
b) 103 Units (Previous Year - 103 Units) 9.00% Shriram Transport Finance Co. Ltd. (NCD)		1,004.25		1,004.25
c) Nil (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Ltd. (NCD)		-	792.65	
Less:- Provision for Impairment		-	(792.65)	-
d) Nil (Previous Year - 105,500 Units) 9.60% SREI Infrastructure Finance Ltd (NCD)		-	1,052.08	
Less:- Provision for Impairment		-	(1,052.08)	-
<b>B) Investments in Mutual Fund (Un-Quoted) (valued at fair value through profit &amp; loss)</b>				
Nil (Previous Year - 1,23,47,217.261 Units) HDFC Ultra Short Term Fund- Direct Growth		-		1,618.21
<b>C) Investments in Equity Instruments (Quoted) (valued at fair value through Profit &amp; Loss - fully paid up)</b>				
550 Equity Shares (Previous Year - 550 Equity Shares) of ₹ 2/- each of Punjab National Bank Ltd.		0.68		0.26
		<b>1,304.93</b>		<b>2,962.72</b>
Aggregate Cost of Quoted Investment		1,320.54		3,207.22
Aggregate Market Value of Quoted Investment		1,304.93		1,344.51
Aggregate Cost of Un-Quoted Investment		-		1,451.27
Aggregate amount of impairment in value of Quoted Investments		-		1,844.73

### 10. TRADE RECEIVABLES

Particulars	As at 31 March, 2024		As at 31 March, 2023	
<b>Unsecured</b>				
Considered Good		30,845.72		25,523.54
Have Significant increase in Credit Risk		1,026.76		2,143.72
Considered Doubtful - Credit Impaired		1,514.28		769.26
		<b>33,386.76</b>		<b>28,436.52</b>
Less: Allowance for losses		2,330.34		2,252.32
		<b>31,056.42</b>		<b>26,184.20</b>

- For details of receivable from related parties, Refer note no. 42, Related Party Transactions.
- Trade Receivables are hypothecated to secured borrowings. Refer note no. 19 & 24.
- Refer note no. 52 (A) - Trade Receivables ageing.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Balance with Banks</b>		
- In Current Accounts	2,557.09	853.96
Cash on Hand	2.92	3.28
Bank Deposits with original maturity of 3 months or less	2,502.74	10,110.11
	<b>5,062.75</b>	<b>10,967.35</b>

### 12. OTHER BANK BALANCES

Particulars	As at 31 March, 2024		As at 31 March, 2023	
Bank Deposits (Pledged with Government Departments)	0.92		1.35	
Less:- Maturity more than 12 months Shown Under "Other Non Current Financial Assets"	0.25	0.67	0.25	1.10
Bank Deposits held as Margin Money	186.10		175.37	
Less:- Maturity more than 12 months Shown Under "Other Non Current Financial Assets"	186.10	-	175.37	-
<b>Earmarked Balances with Banks</b>				
Unclaimed Dividend Accounts		31.98		34.67
		<b>32.65</b>		<b>35.77</b>

### 13. LOANS

Particulars	As at 31 March, 2024	As at 31 March, 2023
( Unsecured, Considered Good Unless Stated Otherwise )		
<b>Inter Corporate Deposits</b>		
- to Related Parties#	135.00	400.00
- To Others	-	80.00
	<b>135.00</b>	<b>480.00</b>

# For detail of loans to related parties, refer Note No. 42, Related Party Transactions.

### 14. OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Accrued Interest	342.96	1,510.48
Deposit with others	2.66	15.35
Insurance Claims receivable	5.47	15.03
Other Receivable#	327.14	-
	<b>678.23</b>	<b>1,540.86</b>

# Refer Note no. 47.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 15. CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹ 9,931.27 Lakhs) (previous year ₹ 6,171.79 Lakhs)	549.35	1,010.24
	<b>549.35</b>	<b>1,010.24</b>

### 16. OTHER CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Prepaid Expenses	427.40	218.39
Export Incentive Receivable	62.98	138.76
Properties held in Trust (Refer note no. 61)	657.75	657.75
Vendor Advances#*	1,150.21	1,147.90
Other Receivables*\$	129.71	163.06
Indirect Tax Recoverable/adjustable	246.21	331.35
	2,674.26	2,657.21
*Less: Provision for Doubtful	97.58	82.82
	<b>2,576.68</b>	<b>2,574.39</b>

\$ Includes advance to staff and workers against salary and expenses etc.

# For detail of advances to related parties, Refer note no. 42, Related Party Transactions.

### 17. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Authorized</b>		
Equity Shares 16,15,00,000 (Previous Year - 16,15,00,000) of ₹ 2/- each	3,230.00	3,230.00
Issued, Subscribed and Paid up		
Equity Shares 4,10,03,620 (Previous Year - 4,24,74,208) of ₹ 2/- each fully paid up	820.07	849.48
	<b>820.07</b>	<b>849.48</b>

#### a. Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held and carry a 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.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 17. EQUITY SHARE CAPITAL (CONTD.)

#### b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares		Amount
	Issued		Issued
<b>Outstanding as on 01 April, 2022</b>	4,24,74,208		849.48
Equity Shares issued/bought back during the year	-		-
<b>Outstanding at the 31 March, 2023</b>	4,24,74,208		849.48
Shares extinguished on buy-back	(14,70,588)		(29.41)
<b>Outstanding at the 31 March, 2024</b>	<b>4,10,03,620</b>		<b>820.07</b>

#### c. Shareholdings of Promoters at the end of 31 March, 2024

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	97,72,190	23.83%	(3.05)%
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	42,05,385	10.26%	(3.05)%
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	42,05,385	10.26%	(3.05)%
iv)	Abhishek Somany (HUF)	18,55,633	4.53%	(3.05)%
v)	Ms. Anjana Somany	10,51,346	2.56%	(3.05)%
vi)	Ms. Minal Somany	6,69,030	1.63%	(3.05)%
vii)	Ms. Aanvi Somany	2,90,837	0.71%	(3.05)%
viii)	Ms. Anushree Chopra	1,95,255	0.48%	(3.05)%
ix)	Mr. Shrivatsa Somany	1,15,887	0.28%	(3.05)%
x)	Mr. Shreekant Somany	1,15,887	0.28%	(3.05)%
xi)	Mr. Ameya Somany	63,014	0.15%	(3.06)%
xii)	Mr. Abhishek Somany	18,942	0.05%	(3.05)%

#### Shareholdings of Promoters at the end of 31 March, 2023

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	-
vii)	Ms. Aanvi Somany	3,00,000	0.71%	-
viii)	Ms. Anushree Chopra	2,01,407	0.47%	-
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	-
x)	Mr. Shreekant Somany	1,19,538	0.28%	-
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	-

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 17. EQUITY SHARE CAPITAL (CONTD.)

### d. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As at 31 March, 2024	As at 31 March, 2023
i) Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	97,72,190	1,00,80,055
ii) Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	42,05,385	43,37,872
iii) Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	42,05,385	43,37,872
iv) Kotak Small CAP Fund	28,28,824	29,02,449
	<b>2,10,11,784</b>	<b>2,16,58,248</b>

### e. Equity shares movement during five years preceding 31 March, 2024

#### (i) Aggregate number of shares issued for consideration other than cash

Particulars	
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2021-22)	94,782
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2019-20)	1,90,87,200

#### (ii) Equity shares extinguished on buy-back

The shareholders of the Company vide postal ballot notice dated 26 October, 2023 approved the proposal of buyback 14,70,588 fully paid-up Equity Shares of the Company on a proportionate basis, through the tender offer route, at a price of ₹ 850/- per Equity Share payable in cash for an aggregate amount not exceeding ₹ 12,500 Lakhs (excluding transaction cost and taxes) on 02 December, 2023. The Company bought back 14,70,588 fully paid-up Equity Shares and settled all valid bids and extinguished equity shares bought back during the year.

## 18 OTHER EQUITY

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Share options outstanding account</b>		
Balance at the beginning of the year	259.15	-
Employee stock option expenses	428.28	259.15
Closing balance	<b>687.43</b>	<b>259.15</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	(4,377.31)	(4,377.31)
Addition/ (Transfer) during the year	-	-
Closing balance	<b>(4,377.31)</b>	<b>(4,377.31)</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	78.43	78.43
Transferred from General Reserve on buyback of equity shares	29.41	-
Closing balance	<b>107.84</b>	<b>78.43</b>
<b>Security Premium</b>		
Balance at the beginning of the year	16,991.77	16,991.77
Buyback of equity shares, including tax thereon*	(15,375.73)	-
Transaction cost related to buyback of equity shares (net of taxes)*	(137.68)	-
Closing balance	<b>1,478.36</b>	<b>16,991.77</b>

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 18. OTHER EQUITY (CONTD.)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>General Reserve</b>		
Balance at the beginning of the year	6,111.96	6,111.96
Trasferred to Capital Redemption reserve on buyback of equity shares	(29.41)	-
Closing balance	<b>6,082.55</b>	<b>6,111.96</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	58,506.64	50,772.40
Profit for the year	10,377.09	9,008.47
<b>Amount available for appropriation</b>	<b>68,883.73</b>	<b>59,780.87</b>
Dividend Distributed	1,274.23	1,274.23
Closing Balance (a)	<b>67,609.50</b>	<b>58,506.64</b>
<b>Remeasurement of defined benefit plans</b>		
Balance at the beginning of the year	(99.32)	(23.58)
Other Comprehensive Income for the year	7.71	(75.74)
Closing Balance (b)	<b>(91.61)</b>	<b>(99.32)</b>
Total Retained Earnings (a+b)	<b>67,517.89</b>	<b>58,407.32</b>
<b>Total Other Equity</b>	<b>71,496.76</b>	<b>77,471.32</b>

\*Refer Note no. 17(e)(ii)

### 19. BORROWINGS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Secured</b>		
<b>Rupee Term Loan</b>		
- from Bank	-	1,120.39
<b>Car Loan</b>		
- from Banks	1,401.39	1,121.67
	<b>1,401.39</b>	<b>2,242.06</b>
<b>Less: Current Maturities of Non Current Borrowings</b>		
<b>Rupee Term loan</b>		
- from Bank	-	1,120.39
<b>Car Loan</b>		
- from Banks	997.94	320.89
	<b>997.94</b>	<b>1,441.28</b>
	<b>403.45</b>	<b>800.78</b>

#### Notes

- Rupee term loan of Nil (Previous Year ₹ 1120.39 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks.
- Car loan from Banks are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- As at 31 March, 2024 rate of interest is variable and linked with MCLR ranging between 8.50% to 9.6% and few car loans which are at fixed interest rate ranging between 8% to 9% .



# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 20. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Deposits	3,185.94	3,044.05
	<b>3,185.94</b>	<b>3,044.05</b>

## 21. PROVISIONS (NON CURRENT)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Employees Benefits	980.52	931.24
	<b>980.52</b>	<b>931.24</b>

## 22. DEFERRED TAX LIABILITIES (NET)

### A. Movement in deferred tax balances

Particulars	As at 31 March, 2023	Recognized in P&L	Recognized in OCI	As at 31 March, 2024
<b>Deferred Tax Assets</b>				
Accrued expenses	1,404.95	(240.50)	-	1,164.45
Others	1,154.15	(86.78)	-	1,067.37
<b>Sub- Total (a)</b>	<b>2,559.10</b>	<b>(327.28)</b>	<b>-</b>	<b>2,231.82</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment, Right of use assets & Intangible assets	4,800.98	(57.47)	-	4,743.51
<b>Sub- Total (b)</b>	<b>4,800.98</b>	<b>(57.47)</b>	<b>-</b>	<b>4,743.51</b>
Net Deferred Tax Liability (b)-(a)	<b>2,241.88</b>	<b>269.81</b>	<b>-</b>	<b>2,511.69</b>

Particulars	As at 1 April, 2022	Recognized in P&L	Recognized in OCI	As at 31 March, 2023
<b>Deferred Tax Assets</b>				
Accrued expenses	1,189.12	215.83	-	1,404.95
Others	902.65	251.50	-	1,154.15
<b>Sub- Total (a)</b>	<b>2,091.77</b>	<b>467.33</b>	<b>-</b>	<b>2,559.10</b>
<b>Deferred Tax Liabilities</b>				
Property, plant and equipment, Right of use assets & Intangible assets	4,373.45	427.53	-	4,800.98
<b>Sub- Total (b)</b>	<b>4,373.45</b>	<b>427.53</b>	<b>-</b>	<b>4,800.98</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>2,281.68</b>	<b>(39.80)</b>	<b>-</b>	<b>2,241.88</b>

### B. Amounts recognized in statement of profit and loss

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Current tax expense</b>		
Current year	3,756.89	3,140.36
Income tax for earlier year	-	82.55
	<b>3,756.89</b>	<b>3,222.91</b>
<b>Deferred Tax Charge/(Credit)</b>		
Origination and reversal of temporary differences	269.81	(39.80)
	<b>269.81</b>	<b>(39.80)</b>
<b>Total Tax Expense</b>	<b>4,026.70</b>	<b>3,183.11</b>

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 22. DEFERRED TAX LIABILITIES (NET) (CONTD.)

#### C. Amounts recognized in Other Comprehensive Income

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Current tax expense</b>		
Current year	(2.59)	25.47

#### D. Reconciliation of effective tax expense

	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
	Rate	Amount	Rate	Amount
<b>Accounting profit before tax</b>		14,403.79		12,191.58
Tax using the Company's domestic tax rate	25.17%	3,625.14	25.17%	3,068.38
Tax effect of:				
Non-deductible expenses/ (Exempted income) (net)		37.21		37.37
Changes in estimates related to prior years		-		82.55
Lower tax rate on (Gain)/Loss on investment		(39.19)		(0.04)
Tax impact on capital gain arised on sale of investment		401.06		-
Others		2.48		(5.15)
		<b>4,026.70</b>		<b>3,183.11</b>

### 23. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security Deposits	966.24	758.05
Less: Current Maturities	99.06	155.08
	<b>867.18</b>	<b>602.97</b>

### 24. BORROWINGS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Secured Loans:</b>		
Working Capital Facilities from Banks*	-	-
Current Maturities of Long term Borrowings (Refer note no. 19)	997.94	1,441.28
<b>Unsecured Loans:</b>		
- Discounting of Bills Payable	-	15,370.84
	<b>997.94</b>	<b>16,812.12</b>

#### \*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of current assets including stocks of raw materials, finished goods and inventory work in progress, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged.
- Rate of interest is variable and linked with MCLR as at 31 March, 2024 ranging between 9.55 % to 9.70%.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 25. TRADE PAYABLES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Outstanding dues of Micro Enterprises and Small Enterprises*	4,660.70	4,074.99
Outstanding dues other than Micro Enterprises and Small Enterprises#	43,592.21	25,506.75
	<b>48,252.91</b>	<b>29,581.74</b>

a.\* For MSME disclosure, Refer note no. 51.

b. # For details of payables to related parties, Refer note no. 42, Related Party Transactions.

c. Refer note no. 52 (B) - Trade Payables ageing.

d. \$ Includes liability towards paying agent arrangement of ₹ 27,274.52 Lakhs (Previous year ₹ 5,913.89 Lakhs).

### 26. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest Accrued	-	0.08
Capital Creditors*	306.59	54.47
Unclaimed Dividends	31.98	34.67
Employees related Payable\$	2,604.78	2,082.82
Others#	104.70	118.05
	<b>3,048.05</b>	<b>2,290.09</b>

\*Includes Outstanding dues of Micro Enterprises and Small Enterprises of ₹ 31.40 Lakhs (Previous Year ₹ Nil) Refer note no. 51.

\$ For details of payables to related parties, Refer note no. 42, Related Party Transactions.

# Includes security deposits received, commission payables etc.

### 27. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory Dues	1,837.15	1,863.47
Security Deposits - Current maturities of Other Non Current Liabilities	99.06	155.08
Advance from Customers	623.24	1,027.52
Sales Incentive	3,021.86	3,271.94
Liability under Defalcation Suit (Refer note no. 61)	665.42	665.78
others#	314.11	238.83
	<b>6,560.84</b>	<b>7,222.62</b>

# Includes claim payables etc.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 28. PROVISIONS (CURRENT)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Employee Benefits	449.15	478.58
	<b>449.15</b>	<b>478.58</b>

### 29. REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Sales of Goods	2,52,515.55	2,42,646.17
	<b>2,52,515.55</b>	<b>2,42,646.17</b>
<b>Other operating revenue</b>		
Export incentives	144.03	109.00
Scrap Sales	331.54	331.38
Sundry Balances Written Back	226.31	86.92
Insurance Claims and Other Incomes	172.80	811.76
Income From Services	57.84	284.84
	<b>932.52</b>	<b>1,623.90</b>
	<b>2,53,448.07</b>	<b>2,44,270.07</b>

a) Unsatisfied performance obligation (contract liabilities) Refer note no.27.

b) Reconciliation of contract price vis a vis revenue recognized in the statement of profit and loss is as follows:

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
<b>Contract Price</b>				
(i) Sales of goods				
Tiles	2,28,282.53		2,23,134.23	
Others	33,812.65	2,62,095.18	28,842.02	2,51,976.25
(ii) Sales of services		57.84		284.84
(ii) other operating revenue		874.68		1,339.06
<b>Adjustments:</b>				
Discount/rebate/ Sales incentives		(9,579.63)		(9,330.08)
<b>Revenue recognized in statement of profit and loss</b>		<b>2,53,448.07</b>		<b>2,44,270.07</b>

c) The above revenues have been recognized at point of time.

d) Payment terms with customers generally ranges between 0 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.

e) Sale of the products and services within India ₹ 2,43,020.17 Lakhs (Previous Year ₹ 2,33,271.19 Lakhs) and outside India ₹ 9,495.38 Lakhs (Previous Year ₹ 9,374.98 Lakhs) are mainly through intermediaries.

f) For contract assets and balances Refer note no. 10.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 30. OTHER INCOME

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
Interest Income		2,482.83		2,226.23
Dividend Income		0.01		0.01
Other non-operating revenue:				
Net Profit on Sale of Property, Plant and Equipment		112.49		171.01
Profit on Sale of Current Investments measured at FVTPL	216.69		191.46	
Less:- Reversal of Fair Value of Current Investments measured at FVTPL	165.01	51.68	169.54	21.92
Net Gain on Fair Value of Current Investments measured at FVTPL		0.43		81.80
Net Gain on Foreign Currency Translations and Transactions		53.97		82.75
Deferred Income (Amortization of Government Grant)		-		102.39
Miscellaneous Income		110.66		82.03
		<b>2,812.07</b>		<b>2,768.14</b>

### 31. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Raw Materials Consumed	22,119.21	25,080.59
Packing Materials Consumed	4,092.13	5,341.24
	<b>26,211.34</b>	<b>30,421.83</b>

### 32. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Opening Stock</b>		
Finished Goods*	11,014.22	5,480.92
Stock-in-Trade	5,749.90	4,312.94
<b>Total Finished Goods</b>	<b>16,764.12</b>	<b>9,793.86</b>
Work-in-Progress	714.00	790.60
	<b>17,478.12</b>	<b>10,584.46</b>
<b>Less: Closing Stock</b>		
Finished Goods	10,204.60	11,014.22
Stock-in-Trade	4,209.37	5,749.90
<b>Total Finished Goods</b>	<b>14,413.97</b>	<b>16,764.12</b>
Work-in-Progress	781.87	714.00
	<b>15,195.84</b>	<b>17,478.12</b>
<b>(Increase)/ Decrease in Stock</b>	<b>2,282.28</b>	<b>(6,893.66)</b>

\*In Previous year opening finished goods includes ₹ 214.28 lakhs transferred on commissioning of New product line on 21 April, 2022.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 33. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salary, Wages, Bonus etc.*	22,364.72	19,893.89
Contribution towards Provident Fund and Gratuity Fund	1,065.71	1,185.04
Staff Welfare expenses	808.41	634.42
	<b>24,238.84</b>	<b>21,713.35</b>

\* includes ₹ 428.28 Lakhs (Previous Year ₹ 259.15 Lakhs) towards share based payments refer note no. 48.

### 34. FINANCE COSTS

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest	365.95	364.66
Interest expense on lease liabilities	363.40	378.22
Other Borrowing Costs	47.91	44.37
	<b>777.26</b>	<b>787.25</b>

### 35. OTHER EXPENSES

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
Stores and Spare Parts Consumed		3,844.59		3,485.35
Power & Fuel		24,127.73		31,983.83
Repairs and Maintenance:				
Buildings		154.98		157.59
Plant & Machinery		507.77		528.84
Others		122.65		127.34
Rent		271.18		133.87
Rates & Taxes		82.47		59.26
Insurance		1,135.15		882.23
Travelling and Conveyance		2,866.88		2,428.88
Freight Outward and Handling Charges		4,100.02		3,673.40
Advertisement and Sales Promotion		5,924.62		5,421.02
Commission to Agents		668.04		815.73
CSR Expenses (Refer note no. 57)		225.68		148.00
Provision for Credit Losses / doubtful advances		214.76		482.20
Bad Debts	125.11		124.92	
Less: Provision for Credit Losses	121.98	3.13	117.76	7.16
Sundry Balances Written Off		0.09		12.00
Property, Plant and Equipment Discarded /Written off		114.40		21.17
Other Expenses*		3,607.68		3,317.46
		<b>47,971.82</b>		<b>53,685.33</b>

\* For Payment to Statutory Auditor, Refer note no. 46.

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 36. EARNING PER SHARE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Profit for the year (a)	10,377.09	9,008.47
<b>Weighted average numbers of equity shares for calculation of EPS</b>		
Weighted average number of equity shares for basic EPS (b)	4,21,20,624	4,24,74,208
Effect of potential Ordinary shares on Employee Stock Options outstanding (c)	43,571	-
Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	<b>4,21,64,195</b>	<b>4,24,74,208</b>
EPS - Basic (Per share in ₹)	24.64	21.21
EPS - Diluted (Per share in ₹)	24.61	21.21

During the previous year Shares to be issued against the options granted under ESOP Scheme have been ignored for calculating diluted earning per share as per IND-AS-33 "Earning Per Share" as the average exercise price is higher as compared to average market price of shares.

## 37. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS AS IDENTIFIED BY THE COMPANY

### A. Contingent liabilities (not provided for) in respect of:

Particulars	As at 31 March, 2024	As at 31 March, 2023
1. Claim and other demands against the Company not acknowledged as debts. #	397.74	262.38
2. Sales Tax demands against which the Company has preferred appeals.	27.77	27.77
3. Goods and Service Tax (excluding interest and penalty), Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	338.64	333.36
4. Income tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	60.02	58.41
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company.	15.41	15.41

# Company has some subjudice labour dispute matters impact of which cannot be ascertained at this stage.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

### B. Others

In light of judgment of Honorable Supreme Court dated 28 February, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 37. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS AS IDENTIFIED BY THE COMPANY (CONTD.)

#### C. Commitments

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	294.36	187.26
(ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.		

### 38. LOANS AND ADVANCES PURSUANT TO REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Outstanding as at 31 March, 2024	Maximum Amount Outstanding during the year ended 31 March, 2024	Outstanding as at 31 March, 2023	Maximum Amount Outstanding during the year ended 31 March, 2023
<b>Inter Corporate Deposits</b>				
Creanza Tiles Pvt. Ltd. (Formerly known as Amora Ceramics Pvt. Ltd)	-	260.10	260.10	260.10
Sudha Somany Ceramics Pvt. Ltd.	2,024.00	3,249.50	2,424.50	2,424.50
Somany Sanitaryware Pvt. Ltd.	510.00	880.00	880.00	880.00
Acer Granito Pvt. Ltd.	-	-	-	35.99
Vintage Tiles Pvt. Ltd.	250.00	250.00	250.00	250.00
Somany Fine Vitrified Pvt. Ltd.	-	357.00	357.00	357.00
Somany Piastrelle Pvt. Ltd.	1,200.00	13,100.00	11,900.00	12,100.00
Vicon Ceramic Pvt. Ltd.	164.50	164.50	164.50	339.50
Somany Excel Vitrified Pvt. Ltd.	-	-	-	75.00
Somany Bath Fittings Pvt. Ltd.	200.00	200.00	200.00	200.00
Amora Tiles Pvt. Ltd.	390.00	390.00	255.00	655.00
Somany Max Pvt. Ltd.	750.00	2,051.00	2,051.00	3,800.00
<b>Security Deposit Given</b>				
Sudha Somany Ceramics Pvt. Ltd.	105.00	105.00	105.00	105.00



# Notes to Standalone Financial Statements

for the Year Ended 31 March, 2024  
(All amounts are in rupees lakhs, unless otherwise stated)

## 39. FOREIGN EXCHANGE EXPOSURES OUTSTANDING AT THE YEAR-END:

Particulars	31 March, 2024		31 March, 2023		
	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	
<b>Open Exposures</b>					
Receivables	USD	8.51	706.87	3.44	280.98
Receivables	CNY	-	-	0.01	0.05
Receivables	NPR	18.13	11.33	41.47	25.92
Payables	USD	0.43	35.52	0.58	47.71
Payables	CNY	0.06	0.73	0.35	4.19
Payables	EURO	0.03	3.07	0.15	13.28
Payables	NPR	5.66	3.54	0.90	0.57

## 40. DETAILS OF INVESTMENT MADE, LOAN AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

### a) Loan given for business purposes

Name	Terms of repayments	For the year ended		Outstanding as at	
		31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Sudha Somany Ceramics Pvt. Ltd.	After one year	825.00	200.00	2,024.00	2,424.50
Creanza Tiles Pvt. Ltd. (Formerly known as Amora Ceramics Pvt. Ltd)	After one year	-	-	-	260.10
Vintage Tiles Pvt. Ltd.	After one year	-	-	250.00	250.00
Somany Sanitaryware Pvt. Ltd.	After one year	-	-	510.00	880.00
Somany Fine Vitrified Pvt. Ltd.	After one year	-	-	-	357.00
Somany Excel Vitrified Pvt. Ltd.	With in One Year	-	17.00	-	-
Vicon Ceramics Pvt. Ltd.	After one year	-	-	164.50	164.50
Somany Piastrelle Pvt. Ltd.	After one year	1,200.00	1,350.00	1,200.00	11,500.00
Somany Piastrelle Pvt. Ltd.	With in One Year	-	1,000.00	-	400.00
Salix Ceramic Pvt. Ltd.	With in One Year	-	200.00	-	80.00
Somany Bath Fittings Pvt. Ltd.	After one year	-	200.00	200.00	200.00
Amora Tiles Pvt. Ltd.	With in One Year	135.00	-	135.00	-
Amora Tiles Pvt. Ltd.	After one year	-	655.00	255.00	255.00
Somany Max Pvt. Ltd.	After one year	750.00	5,851.00	750.00	2,051.00

The above unsecured loans carries interest rate in the range of 9.00% to 12.00% (Previous Year 9.00% to 12.00%)

- b) Details of investments made is given in Note No. 4 and 9.  
c) Also refer Note No. 37(C) (ii).

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 41. EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

#### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31 March, 2024	31 March, 2023
Contribution to Provident Funds	787.04	702.64

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 33) of the Statement of Profit and Loss.

#### (ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

#### A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

Particulars	31 March, 2024			31 March, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	2,442.33	2,124.80	317.53	1,931.15	1,981.56	(50.41)
<b>Addition pursuant to Scheme of Amalgamations *</b>						
<b>Included in profit &amp; loss</b>						
Current service cost	209.75	-	209.75	190.51	-	190.51
Interest cost / (income)	180.24	(156.81)	23.43	139.43	(143.07)	(3.64)
Other Adjustment						
Past Service Cost including curtailment Gains/(Losses)	45.48	-	45.48	295.53	-	295.53
	<b>435.47</b>	<b>(156.81)</b>	<b>278.66</b>	<b>625.47</b>	<b>(143.07)</b>	<b>482.40</b>

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 41. EMPLOYEE BENEFITS (CONTD.)

Particulars	31 March, 2024			31 March, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
<b>Included in OCI</b>						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	31.50	-	31.50	(31.83)	-	(31.83)
- experience adjustment	83.25	-	83.25	83.22	-	83.22
- on plan assets	-	(125.04)	(125.04)	-	49.83	49.83
	<b>114.75</b>	<b>(125.04)</b>	<b>(10.29)</b>	<b>51.39</b>	<b>49.83</b>	<b>101.22</b>
<b>Other</b>						
Contributions paid by the employer	-	100.00	(100.00)	-	50.00	(50.00)
Benefits paid	(240.00)	-	(240.00)	(165.68)	-	(165.68)
	<b>(240.00)</b>	<b>100.00</b>	<b>(340.00)</b>	<b>(165.68)</b>	<b>50.00</b>	<b>(215.68)</b>
<b>Closing Balance</b>	<b>2,752.55</b>	<b>2,506.65</b>	<b>245.90</b>	<b>2,442.33</b>	<b>2,124.80</b>	<b>317.53</b>

### B. Plan assets

Particulars	31 March, 2024	31 March, 2023
Fund managed by insurer	100%	100%
	100%	100%

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 33) of the Statement of Profit and Loss and Other Comprehensive Income.

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Economic Assumptions	31 March, 2024	31 March, 2023
Discount rate	7.23%	7.38%
Expected rate of future salary increase	5.00%	5.00%

### Demographic Assumption

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the company.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 41. EMPLOYEE BENEFITS (CONTD.)

Particulars	31 March, 2024	31 March, 2023
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Retirement Age (Years)	58	58
Attrition at Ages	<b>Withdrawal Rate (%)</b>	
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Company expects to contribute ₹ 259.58 Lakhs (Previous Year ₹ 243.86 Lakhs) in plan assets in the next year.

#### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March, 2024		31 March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(103.54)	110.48	(98.39)	100.32
Expected rate of future salary increase (0.5% movement)	105.12	(99.65)	83.41	(83.41)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

#### E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- A) Salary Increases-** Higher than expected increase in salary will increase the defined benefit obligation.
- B) Investment Risk –** Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- C) Discount Rate -** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals –** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

#### F. Maturity Profile of Defined Benefit Obligation

Particulars	31 March, 2024	31 March, 2023
Within 1 year	266.63	193.97
From 1 year to 2 Year	119.04	135.98
From 2 year to 3 Year	119.58	100.17
From 3 year to 4 Year	137.46	96.17
From 4 year to 5 Year	119.34	138.78
From 5 year to 6 Year	585.28	105.78
6 Year onwards	1,405.22	1,671.48
<b>Total</b>	<b>2,752.55</b>	<b>2,442.33</b>

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES"

### A. Related parties and their relationships as per Ind AS 24

#### i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director (CMD)
Mr. Abhishek Somany	Managing Director till 09 August, 2022 and Managing Director & CEO w.e.f 10 August, 2022
Mr. Amit Sahai <sup>^</sup>	CEO -Tile Business w.e.f 23 May, 2023
Mr. Sailesh Raj Kedawat <sup>^</sup>	Chief Financial Officer (CFO) (w.e.f. 10 November, 2022)
Mr. Saikat Mukhopadhyay <sup>^</sup>	Chief Financial Officer (CFO) (till 31 May, 2022)
Mr. Ambrish Julka <sup>^</sup>	Sr. GM (Legal) & Company Secretary
Mrs. Anjana Somany	Wife of Mr. Shreekant Somany
Mrs. Minal Somany	Wife of Mr. Abhishek Somany
Mr. Shrivatsa Somany	Son of Mr. Shreekant Somany
Mr. Ameya Somany	Son of Mr. Abhishek Somany
Mr. G.G. Trivedi #	Non- Executive Director
Mr. Siddharath Bindra*	Non - Executive Director
Mr. Ravinder Nath*	Non - Executive Director
Mr. Salil Singhal*	Non - Executive Director
Mr. Rameshwar Singh Thakur*	Non - Executive Director
Mrs. Rumjhum Chatterjee*	Non - Executive Director
Mr. Vineet Agarwal*	Non - Executive Director

<sup>^</sup> KMP under the Companies Act, 2013

# Non Independent Directors

\* Independent Directors

#### ii Subsidiary Company

SR Continental Ltd.

Somany Bathware Ltd.

Amora Tiles Pvt. Ltd.

Somany Fine Vitrified Pvt. Ltd. (ceases to be subsidiary w.e.f. 01 July, 2023)

Somany Sanitaryware Pvt. Ltd.

Somany Excel Vitrified Pvt. Ltd.

Vintage Tiles Pvt. Ltd.

Somany Piastrelle Pvt. Ltd.

Vicon Ceramic Pvt. Ltd.

Acer Granito Pvt. Ltd.

Sudha Somany Ceramics Pvt. Ltd.

Creanza Tiles Pvt. Ltd. (Formerly known as Amora Ceramics Pvt. Ltd) (ceases to be subsidiary w.e.f. 01 July, 2022)

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Somany Bath Fittings Pvt. Ltd.  
Somany Max Pvt. Ltd.  
SRCL Buildwell Pvt. Ltd. (subsidiary of SR Continental Ltd.)

#### iii. Associate Company

Clean Max Ananta Pvt. Ltd. (w.e.f. 07 March, 2024)

#### iv. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

#### v. Employees Trusts

Somany Employees Gratuity Fund(Formerly known as SPL Employees Gratuity Fund)

#### vi. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Pvt. Ltd.	Private company in which a director is director
Vidres India Ceramics Pvt. Ltd.	Private company in which a director is director
Transport Corporation of India Ltd.	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI Express Ltd.	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI-Concor Multimodal Solutions Pvt. Ltd.	Private company in which a director is director

### B. Transactions with the above in the ordinary course of business

	For the year ended	
	31 March, 2024	31 March, 2023
<b>a) Payments to Key Managerial Personnel and their relatives</b>		
<b>Mr. Shreekant Somany</b>		
- Remuneration	300.19	299.53
- Commission	410.30	100.00
Outstanding at the year-end:		
- Commission Payable	410.30	100.00
<b>Mr. Abhishek Somany</b>		
- Remuneration	504.24	470.93
- Commission	206.25	140.78
- Rent Paid	1.94	11.39
Outstanding at the year-end:		
- Commission Payable	206.25	140.78
<b>Mrs. Anjana Somany</b>		
- Remuneration	29.28	29.10
- Rent Paid	3.92	3.86

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
<b>Mrs. Minal Somany</b>		
- Remuneration	42.27	31.36
- Rent Paid	7.66	17.00
<b>Mr. Shrivatsa Somany</b>		
- Remuneration	39.46	20.92
<b>Mr. Ameya Somany</b>		
- Remuneration	10.66	15.89
<b>Mr. Amit Sahai</b>		
- Remuneration	270.24	
<b>Mr. Sailesh Raj Kedawat</b>		
- Remuneration	120.45	53.73
<b>Mr. Saikat Mukhopadhyay</b>		
- Remuneration	-	41.05
<b>Mr. Ambrish Julka</b>		
- Remuneration	38.47	36.71
<b>b) Non- Executive/Independent Directors</b>		
<b>Mr. G.G. Trivedi</b>		
- Commission	3.00	2.00
- Sitting Fees	1.35	1.35
- Reimbursement of Expenses	-	0.12
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Mr. Siddharath Bindra</b>		
- Commission	3.00	2.00
- Sitting Fees	0.65	0.75
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
- Sitting Fees Payable	-	0.05
<b>Mr. Ravinder Nath</b>		
- Commission	3.00	2.00
- Sitting Fees	0.55	0.45
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Mr. Salil Singhal</b>		
- Commission	3.00	2.00
- Sitting Fees	0.65	0.75
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
- Sitting Fees Payable	-	0.05

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
<b>Mr. Rameshwar Singh Thakur</b>		
- Commission	3.00	2.00
- Sitting Fees	1.45	1.30
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Mrs. Rumjhum Chatterjee</b>		
- Commission	3.00	2.00
- Sitting Fees	0.75	0.60
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
- Sitting Fees Payable	-	0.30
<b>Mr. Vineet Agarwal</b>		
- Commission	3.00	2.00
- Sitting Fees	0.85	0.60
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Summary of payment made to KMP#</b>		
Short term employee benefits*	1,877.39	1,162.53
Other Payments	1.94	11.51
* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.		
# The Company has granted 29,940 (previous year-29,216) options to KMPs out of which Nil (previous year-22,678) options has been lapsed during the year, value of which shall be disclosed at the time of exercise of options.		
<b>c) With Subsidiary Companies are as under</b>		
<b>SR Continental Ltd.</b>		
- Rent paid	0.24	0.24
- Services rendered	0.75	0.60
- Payment made on their behalf	0.72	0.67
Outstanding at the year end:		
- Trade Receivable	0.23	0.23
- Trade payable	0.03	0.03
<b>Somany Bathware Ltd.</b>		
- Services rendered	0.60	0.60
- Payment made on their behalf	-	0.06
<b>Amora Tiles Pvt. Ltd.</b>		
- Purchase of goods	8,257.63	8,450.40
- Interest received	29.88	24.28
- ICD given	135.00	655.00
- ICD received back	-	400.00
Outstanding at the year end:		
- Trade payable	273.92	152.30
- ICD receivable	390.00	255.00



## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
<b>Somany Sanitaryware Pvt. Ltd.</b>		
- Purchase of goods	4,848.76	5,657.51
- Sales of goods	187.11	143.40
- Interest received	79.82	79.20
- Payment made on their behalf	4.05	-
- ICD received back	370.00	-
Outstanding at the year-end:		
- Trade Receivable	41.33	85.10
- Trade payable	542.54	464.69
- ICD receivable	510.00	880.00
<b>Somany Fine Vitrified Pvt. Ltd.</b>		
- Purchase of goods	165.20	4,500.56
- Interest received	9.76	32.13
Outstanding at the year-end:		
- Trade payable	-	493.27
- ICD receivable	-	357.00
<b>Somany Excel Vitrified Pvt. Ltd.</b>		
- Services rendered	0.75	0.60
- Interest received	-	0.48
- ICD given	-	17.00
- ICD received back	-	92.00
<b>Vintage Tiles Pvt. Ltd.</b>		
- Purchase of goods	14,757.20	14,319.22
- Fees received for technical services	-	180.00
- Interest received	27.50	22.50
Outstanding at the year-end:		
- Trade payable	1,125.91	813.52
- ICD receivable	250.00	250.00
<b>Vicon Ceramic Pvt. Ltd.</b>		
- Purchase of goods	4,941.34	5,483.84
- Interest received	18.10	17.25
- ICD received back	-	175.00
Outstanding at the year-end:		
- Trade payable	381.11	348.53
- ICD receivable	164.50	164.50
- Interest receivable	4.05	-
<b>Acer Granito Pvt. Ltd.</b>		
- Purchase of goods	6,495.24	8,011.79
- Interest received	-	0.24

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
- ICD received back	-	35.99
Outstanding at the year-end:		
- Trade payable	528.55	825.73
<b>Sudha Somany Ceramics Pvt. Ltd.</b>		
- Purchase of goods	21,589.21	18,687.98
- Rent Paid	6.00	6.00
- Interest received	304.72	251.47
- ICD given	825.00	200.00
- ICD received back	1,225.50	-
- Investment in equity shares	1,200.00	-
Outstanding at the year-end:		
- Interest receivable	174.96	226.32
- Security deposit receivable	105.00	105.00
- Trade Payable	692.63	972.71
- ICD receivable	2,024.00	2,424.50
<b>Creanza Tiles Pvt. Ltd. (Formerly known as Amora Ceramics Pvt. Ltd)</b>		
- Purchase of goods	-	1,478.54
- Interest received	-	11.16
<b>Somany Bath Fittings Pvt. Ltd.</b>		
- Purchase of goods	4,058.49	4,137.75
- Sale of goods	11.51	14.13
- Sale of Property, Plant and Equipment	0.31	-
- Rent Paid	0.19	0.25
- Rent Received	-	0.25
- Services rendered	-	72.00
- Interest received	22.06	15.16
- Payment made on their behalf	4.54	-
- ICD given	-	200.00
Outstanding at the year-end:		
- Trade payable	368.02	83.16
- ICD receivable	200.00	200.00
- Trade Receivable	-	27.43
<b>Somany Piastrelle Pvt. Ltd.</b>		
- Purchase of goods	12,317.24	7,890.27
- Sale of goods	0.10	3.03
- Sale of Property, plant and equipment	-	17.23
- Royalty received	37.85	-
- Interest received	539.72	1,035.69
- Dividend on preference shares	533.61	-
- Payment made on their behalf	5.83	0.13

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
- Investment in equity shares	4,035.00	-
- Investment in Preference shares	7,500.00	-
- ICD given	1,200.00	2,350.00
- ICD received back	11,900.00	600.00
Outstanding at the year-end:		
- Trade Receivable	32.96	-
- Trade payable	426.73	354.43
- Dividend accrued on preference shares	533.61	-
- Interest Receivable	104.56	1,215.64
- ICD receivable	1,200.00	11,900.00
<b>Somany Max Pvt. Ltd.</b>		
- Investment in equity shares	2,000.00	3,999.00
- Investment in Preference shares	2,800.00	-
- Purchase of goods	1,840.72	-
- Sale of goods	0.20	-
- Royalty received	5.54	-
- Rent Received	0.12	0.22
- Payment made on their behalf	-	45.00
- Interest received	68.89	113.53
- Dividend on Preference Shares	252.46	-
- ICD given	750.00	5,851.00
- ICD received back	2,051.00	3,800.00
Outstanding at the year-end:		
- Trade Advance	-	0.09
- Interest Receivable	25.29	36.49
- Dividend accrued on preference shares	252.46	-
- ICD receivable	750.00	2,051.00
- Trade Payable	565.79	-
<b>d) With Associate Company are as under</b>		
<b>Clean Max Ananta Pvt. Ltd. (w.e.f March 7, 2024)</b>		
- Investment in equity shares	0.49	-
<b>e) With Employees Trusts are as under:-</b>		
<b>Somany Employees Gratuity Fund(Formerly known as SPL Employees Gratuity Fund)</b>		
- Contribution made	340.00	215.45
<b>f) With Other Related Parties are as under:-</b>		
<b>H. L. Somany Foundation</b>		
- Contribution towards CSR Activities	225.68	148.00
<b>Trans India Ceramics Pvt. Ltd.</b>		
- Purchase of goods	160.55	76.08
- Services received	16.98	18.69

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

	For the year ended	
	31 March, 2024	31 March, 2023
Outstanding at the year-end:		
- Trade payable	73.99	-
<b>Vidres India Ceramics Pvt. Ltd.</b>		
- Purchase of goods	3,114.52	3,431.27
- Sale of Goods	0.03	3.02
Outstanding at the year-end:		
- Trade payable	54.97	135.44
<b>Transport Corporation of India Ltd.</b>		
- Services received	66.04	75.02
Outstanding at the year-end:		
- Trade payables	4.70	4.39
<b>TCI Express Ltd.</b>		
- Services received	32.97	48.72
Outstanding at the year-end:		
- Trade payables	7.80	10.69
<b>TCI-Concor Multimodal Solutions Pvt. Ltd.</b>		
- Services received	4.58	-
Outstanding at the year-end:		
- Trade payables	1.36	-

Also refer Note No. 37(C) (iii).

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash. For Terms and conditions of Loan given, Refer note no. 40.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 43. ANALYTICAL RATIOS

S. No.	Particular	Numerator (A)	Denominator (B)	31 March, 2024	31 March, 2023	% of variance	Reason for Variances
1	Current Ratio	Current Assets	Current Liabilities	1.01	1.19	(15.14)%	-
2	Debt-Equity Ratio	Total Debt	Net worth	0.02	0.22	(91.38)%	Due to reduction in debts and net worth.
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	5.27	3.65	44.10%	Due to reduction in debts and increase in earnings.
4	Return on Equity Ratio	Net Profits after taxes	Average Net worth	13.78%	12.11%	13.73%	-
5	Inventory turnover ratio	Sales	Closing Inventory (Finished Goods and Stock in Trade)	17.52	14.47	21.04%	-
6	Trade Receivables turnover ratio	Sales	Closing Trade Receivables	8.13	9.27	(12.26)%	-
7	Trade payables turnover ratio	Credit Purchases	Closing Trade Payable	3.92	6.65	(40.99)%	Due to increase in trade payable.
8	Net capital turnover ratio	Sales	Working capital	(51.18)	17.88	(386.23)%	Due to increase in working capital.
9	Net profit ratio	Net profit	Sales	4.11%	3.71%	10.69%	-
10	Return on Capital employed	Earning before exceptional items, interest and taxes	Average Capital Employed	17.27%	13.60%	27.03%	Due to increase in earnings.
11	Return on investment	Income Received on Loans, FDRs, current investments and investment in Preference shares	Average of Loans, FDRs current investments and investment in Preference shares	9.17%	6.46%	41.84%	Due to decrease in average investment on maturity of FDRs.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### I Fair value measurements

##### A. Financial instruments by category

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets</b>				
Investments				
Non current	-	11,086.07	-	-
Current	1,304.93	-	2,962.72	-
Loans				
Non current	-	5,353.50	-	18,342.10
Current	-	135.00	-	480.00
Trade receivables	-	31,056.42	-	26,184.20
Cash and cash equivalents	-	5,062.75	-	10,967.35
Bank balances other than above	-	32.65	-	35.77
Others				
Non current	-	1,231.89	-	1,141.27
Current	-	678.23	-	1,540.86
	<b>1,304.93</b>	<b>54,636.51</b>	<b>2,962.72</b>	<b>58,691.55</b>
<b>Financial liabilities</b>				
Borrowings				
Non current	-	403.45	-	800.78
Current	-	997.94	-	16,812.12
Lease Liability				
Non current	-	3,412.71	-	3,778.44
Current	-	828.28	-	807.35
Other financial liabilities				
Non Current	-	3,185.94	-	3,044.05
Current	-	3,048.05	-	2,290.09
Trade payables	-	48,252.91	-	29,581.74
	-	<b>60,129.28</b>	-	<b>57,114.57</b>

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognized and measured at fair value and
- (b) measured at amortized cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table."

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Current	1,304.93	-	-	1,304.93
<b>Total financial assets</b>	<b>1,304.93</b>	<b>-</b>	<b>-</b>	<b>1,304.93</b>

Particulars	As at 31 March, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Current	1,344.51	1,618.21	-	2,962.72
<b>Total financial assets</b>	<b>1,344.51</b>	<b>1,618.21</b>	<b>-</b>	<b>2,962.72</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and Debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example- mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

#### C. Financial assets and liabilities measured at amortized cost

Particulars	Level	As at 31 March, 2024		As at 31 March, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Investments					
Non Current	3	11,086.07	11,086.07	-	-
Loans					
Non Current	3	5,353.50	5,353.50	18,342.10	18,342.10
Current	3	135.00	135.00	480.00	480.00
Trade receivables - current	3	31,056.42	31,056.42	26,184.20	26,184.20
Cash and cash equivalents	3	5,062.75	5,062.75	10,967.35	10,967.35
Bank balances other than above	3	32.65	32.65	35.77	35.77
Others					
Non Current	3	1,231.89	1,117.39	1,141.27	1,020.20
Current	3	678.23	678.23	1,540.86	1,540.86
		<b>54,636.51</b>	<b>54,522.01</b>	<b>58,691.55</b>	<b>58,570.48</b>
<b>Financial liabilities</b>					
Borrowings					
Non current	3	403.45	403.45	800.78	800.78
Current	3	997.94	997.94	16,812.12	16,812.12
Lease Liability					
Non current	3	3,412.71	3,412.71	3,778.44	3,778.44
Current	3	828.28	828.28	807.35	807.35
Other Financial Liability					
Non current	3	3,185.94	3,185.94	3,044.05	3,044.05
Current	3	3,048.05	3,048.05	2,290.09	2,290.09
Trade payables - current	3	48,252.91	48,252.91	29,581.74	29,581.74
		<b>60,129.28</b>	<b>60,129.28</b>	<b>57,114.57</b>	<b>57,114.57</b>

The fair value of current financial assets and liabilities carried at amortized cost is considered equal to the carrying amounts of these items due to their short-term nature. The fair value of items that are Non-current in nature, has been determined using discounted cash flow basis.



# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹ 33,386.76 Lakhs (Previous year – ₹ 28,436.52 Lakhs).

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
<b>As at 31 March, 2024</b>							
Gross Carrying amount	24,186.06	6,487.24	170.56	68.34	29.89	2,444.67	33,386.76
Specific Provision	-	(0.06)	(13.72)	(41.84)	(18.53)	(2,210.59)	(2,284.74)
Expected credit losses	(25.12)	(6.74)	(8.11)	(4.13)	(1.50)	-	(45.60)
Expected loss rate	0.10%	0.10%	4.75%	6.04%	5.02%	0.00%	0.14%
<b>Carrying amount</b>	<b>24,160.94</b>	<b>6,480.44</b>	<b>148.73</b>	<b>22.37</b>	<b>9.86</b>	<b>234.08</b>	<b>31,056.42</b>

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
<b>As at 31 March, 2023</b>							
Gross Carrying amount	20,048.90	5,358.22	110.48	48.27	164.47	2,706.18	28,436.52
Specific Provision	-	(7.21)	(3.50)	(22.76)	(107.78)	(2,060.07)	(2,201.32)
Expected credit losses	(32.57)	(8.70)	(6.05)	(2.26)	(1.42)	-	(51.00)
Expected loss rate	0.16%	0.16%	5.48%	4.68%	0.86%	0.00%	0.18%
<b>Carrying amount</b>	<b>20,016.33</b>	<b>5,342.31</b>	<b>100.93</b>	<b>23.25</b>	<b>55.27</b>	<b>646.11</b>	<b>26,184.20</b>

#### Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	31 March, 2024	31 March, 2023
Opening balance	2,252.32	1,925.87
Changes in loss allowance	78.02	326.45
<b>Closing balance</b>	<b>2,330.34</b>	<b>2,252.32</b>

#### Investments and Cash Deposits

Credit risk from balances with banks is managed by the Company's finance department.

Company invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default other than as disclosed.

#### iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31 March, 2024	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
<b>Financial liabilities</b>					
Non Current borrowings*	1,401.39	-	997.94	403.45	-
Lease Liability	4,240.99		1,165.13	3,354.85	833.55
Other non-current financial liabilities	3,185.94	-	-	-	3,185.94
Trade payables	48,252.91	-	48,252.91	-	-
Other current financial liabilities	3,048.05	-	3,048.05	-	-
<b>Total financial liabilities</b>	<b>60,129.28</b>	<b>-</b>	<b>53,464.03</b>	<b>3,758.30</b>	<b>4,019.49</b>

Particulars	Carrying Amount 31 March, 2023	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
<b>Financial liabilities</b>					
Non Current borrowings*	2,242.06	-	1,441.28	800.78	-
Lease Liability	4,585.79		1,176.66	3,453.21	1,321.48
Other non-current financial liabilities	3,044.05	-	-	-	3,044.05
Current borrowings	15,370.84	-	15,370.84	-	-
Trade payables	29,581.74	-	29,581.74	-	-
Other current financial liabilities	2,290.09	-	2,290.09	-	-
<b>Total financial liabilities</b>	<b>57,114.57</b>	<b>-</b>	<b>49,860.61</b>	<b>4,253.99</b>	<b>4,365.53</b>

\* Including current maturity of non current borrowings

### iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

### v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in CNY, EURO & NPR. The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has no significant currency exposure.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs).

	As at 31 March, 2024				As at 31 March, 2023			
	USD	CNY	EUR	NPR	USD	CNY	EUR	NPR
Receivables (A)	8.51	-	-	18.13	3.44	0.01	-	41.47
Payables (B)	0.43	0.06	0.03	5.66	0.58	0.35	0.15	0.90
Net statement of financial position exposure (B-A)	(8.08)	0.06	0.03	(12.47)	(2.86)	0.34	0.15	(40.57)

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD 1	82.44	78.59	83.09	81.79
CNY 1	11.79	11.96	11.64	11.94
EUR 1	90.58	87.82	90.80	90.35
NPR 1	0.63	0.63	0.63	0.63

#### Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss before Tax		Equity, net of tax		
	Strengthening	Weakening	Strengthening	Weakening	
<b>31 March, 2024</b>					
USD (10% movement)		67.14	(67.14)	50.24	(50.24)
CNY (10% movement)		(0.07)	0.07	(0.05)	0.05
EUR (10% movement)		(0.27)	0.27	(0.20)	0.20
NPR (10% movement)		(0.78)	0.78	(0.58)	0.58

	(Profit) or loss before Tax		Equity, net of tax		
	Strengthening	Weakening	Strengthening	Weakening	
<b>31 March, 2023</b>					
USD (10% movement)		23.39	(23.39)	17.50	(17.50)
CNY (10% movement)		(0.41)	0.41	(0.30)	0.30
EUR (10% movement)		(1.36)	1.36	(1.01)	1.01
NPR (10% movement)		(2.54)	2.54	(1.90)	1.90

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March, 2024 and 31 March, 2023, the Company's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any derivative instruments to hedge the interest rate risk.

### Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	31 March, 2024	31 March, 2023
<b>Fixed-rate instruments</b>		
Borrowings	281.49	319.84
	<b>281.49</b>	<b>319.84</b>
<b>Variable-rate instruments</b>		
Borrowings*	1,119.90	1,922.22
	<b>1,119.90</b>	<b>1,922.22</b>

\*excluding bills discounting on which the Company has no interest exposure.

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>31 March, 2024</b>				
Variable-rate instruments				
Borrowings	(5.60)	5.60	(4.19)	4.19
<b>Cash flow sensitivity</b>	<b>(5.60)</b>	<b>5.60</b>	<b>(4.19)</b>	<b>4.19</b>
<b>31 March, 2023</b>				
Variable-rate instruments				
Borrowings	(9.61)	9.61	(7.19)	7.19
<b>Cash flow sensitivity</b>	<b>(9.61)</b>	<b>9.61</b>	<b>(7.19)</b>	<b>7.19</b>

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 45. CAPITAL-WORK-IN PROGRESS (CWIP) AGEING SCHEDULE AS ON 31 MARCH, 2024

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	804.09	-	-	-	804.09
<b>Total</b>	<b>804.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>804.09</b>

### Capital-Work-in Progress (CWIP) Ageing Schedule as on 31 March, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	90.62	-	-	-	90.62
<b>Total</b>	<b>90.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.62</b>

There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the projects under capital works in progress as on 31 March, 2024 and 31 March, 2023.

### 46. PAYMENT TO AUDITORS

Particulars	For the year ended	
	31 March, 2024	31 March, 2023
Statutory audit fee	20.00	15.00
Tax audit fee	-	2.50
Limited Review and Certification fee	6.25	5.75
Reimbursement of expenses	1.29	1.42
<b>Total</b>	<b>27.54</b>	<b>24.67</b>

### 47. EXCEPTIONAL ITEMS

- The Company, in the earlier years, had impaired its investment of ₹ 1,844.73 Lakhs in NCDs, issued by SREI Equipment Finance Limited. During the year, Hon'ble NCLT Kolkata approved resolution plan under Insolvency & Bankruptcy Code, 2016. In terms of the Approved Resolution Plan, the implementation notice was issued by National Asset Reconstruction Company Limited ("NARCL") and Implementation and Monitoring Committee ("IMC") authorized the administrator for commencement of the distribution against claims with the record date set as at 06 October, 2023. During the year, the Company has recognized Gain of ₹ 456.45 Lakhs as exceptional item on account recovery of ₹ 129.31 Lakhs in cash and allotment of Security Receipts (SRs)/ Optionally Convertible Debentures (OCDs), to trustees on behalf of the Company, for the value of ₹ 461.13 Lakhs (recognized at an estimated fair value of ₹ 327.12 Lakhs) in terms of the Approved Resolution Plan. Pending ascertainment of the issue terms and conditions of the SRs/ OCDs the same has been disclosed under the head "Other Financial Assets".
- The Company has divested its investment in one of its subsidiary "Somany Fine Vitrified Private Limited", w.e.f 01 July, 2023 through an agreement, dated on 26 August, 2023, with the existing shareholders of the subsidiary resulting loss on divestment of ₹ 336.60 Lakhs, during the year ended 31 March, 2024.
- During the previous year, the Company has divested its investment in one of its subsidiary Amora Ceramics Private Limited, w.e.f 01 July, 2022 resulting loss of control over the subsidiary. This has no material impact on the operations of the Company. Loss on disinvestment of ₹ 96.79 Lakhs.

# Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 48. SHARE BASED PAYMENTS

### a) Scheme Details

Nomination and Remuneration Committee (NRC) and Board of Directors at its respective meetings held on 10 December, 2021 and 23 May, 2023, approved an issue of stock options aggregating 4,23,794 and 12,74,226 equity shares of the face value of ₹ 2 each, up to a maximum of 1% and 3% of the then issued equity capital of the Company respectively. The shareholders of the Company vide their special resolution passed through postal ballot on 07 April, 2022 and passed at its 55th Annual General Meeting (AGM) held on 25 August, 2023 approved the issue of equity shares of the Company under Somany Ceramics Employee Stock Option Plan 2021 (ESOP 2021) and Somany Ceramics Employee Stock Option Plan 2023 (ESOP 2023) respectively.

Details of options granted by NRC under the said scheme are as follows:

Particulars	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
No. of Options Granted	3,50,102	1,01,107	93,411	33,165	10,000
Grant Date	29 April, 2022	07 February, 2023	08 November, 2023	08 November, 2023	08 November, 2023
Vesting Schedule	<p><b>The vesting period for conversion of Options for ESOP 2021 Grant 1, Grant 2 and ESOP 2023 Grant 1:</b></p> <ul style="list-style-type: none"> <li>• On completion of 24 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 36 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 48 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 60 months from the date of grant of the Options: 25% vests</li> </ul> <p><b>The vesting period for conversion of Options for ESOP 2023 Grant 2:</b></p> <ul style="list-style-type: none"> <li>• On completion of 12 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 24 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 36 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 48 months from the date of grant of the Options: 25% vests</li> </ul> <p><b>The vesting period for conversion of Options for ESOP 2023 Grant 3:</b></p> <ul style="list-style-type: none"> <li>• On completion of 12 months from the date of grant of the Options: 100% vests</li> </ul>				
Maximum term of Exercise period	7 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 ₹ 2.00 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 seven years from the date of vesting in respect of Options granted under the plan.				

### b) Compensation expenses arising on account of share based payment

Particulars	31 March, 2024	31 March, 2023
Expenses arising from equity settled share-based payment transactions	428.28	259.15

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 48. SHARE BASED PAYMENTS (CONTD.)

#### c) Fair Value on the grant date

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. Details for which are as under:

Particulars	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
Grant Date	29 April, 2022	07 February, 2023	08 November, 2023	08 November, 2023	08 November, 2023
Exercise price	647.85	536.05	647.85	493.46	493.46
Weighted Average Fair value	329.74	270.33	350.98	381.85	357.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%	7.20%-7.23%	7.20%-7.23%	7.20%
Expected life	5.5-8.5 years	5.5-8.5 years	5.5-8.5 years	4.5-7.5 years	4.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%	41.03%-46.37%	41.56%-46.37%	46.37%
Expected dividends	0.88%	0.85%	0.65%	0.65%	0.65%
The price of the underlying shares in market at the time of Option grant	647.85	536.05	657.95	657.95	657.95

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	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
Balance at the beginning of the year	3,15,296	1,01,107	-	-	-
Granted during the year	-	-	93,411	33,165	10,000
Exercised during the year	-	-	-	-	-
Forfeited/lapsed during the year	16,329	15,003	2,839	-	-
Expired during the year	-	-	-	-	-
Balance at the end of the year	2,98,967	86,104	90,572	33,165	10,000
Exercisable as at 31 March, 2024	-	-	-	-	-



## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 49. DIVIDEND

During the year, the Company has paid dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs towards final dividend for the year ended 31 March, 2023. Further, the Board of directors has recommended dividend of ₹ 3/- per equity share aggregating ₹ 1230.11 Lakhs in their meeting held on 15 May, 2024 for the financial year ended 31 March, 2024 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

### 50. SEGMENT REPORTING

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

51. Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	31 March, 2024	31 March, 2023
Principal amount remaining unpaid to any supplier as on	4,692.10	4,074.99
Interest due on the principal remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

### 52.

#### (A) - Trade Receivables ageing

##### Trade Receivables ageing schedule for the period ended 31 March, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	24,186.06	6,487.15	152.26	12.52	7.73	-	<b>30,845.72</b>
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	0.03	18.30	55.74	14.15	938.54	<b>1,026.76</b>
(iii) Disputed Trade Receivables – credit impaired	-	0.06	-	0.08	8.01	1,506.13	<b>1,514.28</b>
	<b>24,186.06</b>	<b>6,487.24</b>	<b>170.56</b>	<b>68.34</b>	<b>29.89</b>	<b>2,444.67</b>	<b>33,386.76</b>

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

52.

### Trade Receivables ageing schedule for the period ended 31 March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,048.90	5,348.57	105.25	13.02	7.80	-	25,523.54
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	9.65	4.35	35.23	148.65	1,945.84	2,143.72
(iii) Disputed Trade Receivables – credit impaired	-	-	0.88	0.02	8.02	760.34	769.26
	<b>20,048.90</b>	<b>5,358.22</b>	<b>110.48</b>	<b>48.27</b>	<b>164.47</b>	<b>2,706.18</b>	<b>28,436.52</b>

### (B) - Trade Payables ageing

#### Trade Payables ageing schedule for the period ended 31 March, 2024

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	4,660.70	-	-	-	-	4,660.70
ii) Others	589.03	40,260.21	2,667.00	19.31	30.46	26.20	43,592.21
	<b>589.03</b>	<b>44,920.91</b>	<b>2,667.00</b>	<b>19.31</b>	<b>30.46</b>	<b>26.20</b>	<b>48,252.91</b>

#### Trade Payables ageing schedule for the period ended 31 March, 2023

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	4,074.99	-	-	-	-	4,074.99
ii) Others	441.98	22,813.70	2,175.32	41.33	3.27	31.15	25,506.75
	<b>441.98</b>	<b>26,888.69</b>	<b>2,175.32</b>	<b>41.33</b>	<b>3.27</b>	<b>31.15</b>	<b>29,581.74</b>

\*Outstanding dues of Micro Enterprises & Small Enterprises only.

## 53. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarizes the capital of the Company.

Particulars	31 March, 2024	31 March, 2023
Equity Share Capital	820.07	849.48
Other Equity	71,496.76	77,471.32
<b>Total Equity</b>	<b>72,316.83</b>	<b>78,320.80</b>
Non-Current Borrowings	403.45	800.78
Current maturities of Non-Current Borrowings	997.94	1,441.28
Current Borrowings	-	15,370.84
<b>Total Debts</b>	<b>1,401.39</b>	<b>17,612.90</b>

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 54. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES ARE AS UNDER:

Particulars	31 March, 2024	Cash Flow changes	Non Cash Changes		31 March, 2023
			Expense Accrued	Others	
Non Current borrowings*	1,401.39	(840.67)	-	-	2,242.06
Current borrowings	-	(15,370.84)	-	-	15,370.84
Lease Liability	4,240.99	(754.37)	-	409.57	4,585.79
Interest Accrued	-	(777.34)	777.26	-	0.08
<b>Total liabilities from financing activities</b>	<b>5,642.38</b>	<b>(17,743.22)</b>	<b>777.26</b>	<b>409.57</b>	<b>22,198.77</b>

Particulars	31 March, 2023	Cash Flow changes	Non Cash Changes		As at 31 March, 2022
			Expense Accrued	Others	
Non Current borrowings*	2,242.06	(1,951.34)	-	-	4,193.40
Current borrowings	15,370.84	(1,919.87)	-	-	17,290.71
Lease Liability	4,585.79	(674.63)	-	1,673.91	3,586.51
Interest Accrued	0.08	(787.49)	787.25	-	0.32
<b>Total liabilities from financing activities</b>	<b>22,198.77</b>	<b>(5,333.33)</b>	<b>787.25</b>	<b>1,673.91</b>	<b>25,070.94</b>

\*Including current maturity of non current borrowings.

### 55. The Company has made investments in Subsidiary Companies and Associate (under Ind AS) as detailed below:

	Country of Incorporation	Percentage of holding as at 31 March, 2024	Percentage of holding as at 31 March, 2023
<b>Subsidiary Companies</b>			
SR Continental Ltd.	India	100%	100%
Somany Bathware Ltd.	India	100%	100%
Amora Tiles Pvt. Ltd.	India	51%	51%
Somany Fine Vitrified Pvt. Ltd. (ceases to be subsidiary w.e.f. 01 July, 2023)	India	-	51%
Somany Sanitaryware Pvt. Ltd.	India	51%	51%
Somany Excel Vitrified Pvt. Ltd.	India	100%	100%
Vintage Tiles Pvt. Ltd.	India	50%	50%
Somany Piastrelle Pvt. Ltd.	India	100%	100%
Vicon Ceramic Pvt. Ltd.	India	26%	26%
Acer Granito Pvt. Ltd.	India	26%	26%
Sudha Somany Ceramics Pvt. Ltd.	India	60%	60%
Somany Bath Fittings Pvt. Ltd.	India	100%	100%
Somany Max Pvt. Ltd.	India	80%	80%
SRCL Buildwell Pvt. Ltd. (subsidiary of SR Continental Ltd.)	India	100%	100%
<b>Associate Company</b>			
Clean Max Ananta Pvt. Ltd. (w.e.f. 07 March, 2024)	India	49%	-

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 56. LEASE DISCLOSURE

#### I. Company as a lessee

The Company incurred following expenses towards short-term leases and leases of low-value assets.

##### Lease payments not recognized as a Lease Liability.

Particulars	31 March, 2024	31 March, 2023
Short-term Leases	270.23	133.11
Leases of Low Value Assets	0.95	0.76

##### Movement of Lease Liabilities during the year

Particulars	31 March, 2024	31 March, 2023
Opening Lease Liabilities	4,585.79	3,586.51
New Leases recognized	500.79	1,920.88
Remeasurements and withdrawals	(99.29)	(246.97)
Interest expense on Lease Liabilities	363.40	378.22
Payment of Lease Liabilities (including Interest)	(1,109.70)	(1,052.85)
<b>Closing Lease Liabilities</b>	<b>4,240.99</b>	<b>4,585.79</b>

#### II. Company as a lessor

The Company has recognized rent income under the head of other income as follows:

Particulars	31 March, 2024	31 March, 2023
Rent received during the year	13.33	16.28

57. The Company is required to spent 2% of average net profit of last three preceding financial years towards Corporate Social Responsibility (CSR) activities under section 135 of the Companies Act, 2013 and accordingly the Company has spent ₹ 225.68 Lakhs (Previous Year ₹ 148.00 Lakhs) during the year and the same is recognized in Statement of Profit and Loss. Necessary details are disclosed below:

Particulars	Amount required to spent by company during the year	Amount of expenditure incurred	shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall
FY 2023-24*	225.59	225.68	-	-	-
FY 2022-23**	148.00	148.00	-	-	-

\*CSR activities includes promoting health care including preventive health care, health and sanitation, skill development & livelihood/ employment enhancement, promoting education, environmental sustainability and conservation of natural resources and administration expenses.

\*\*CSR activities includes promoting health care including preventive health care, skill development & livelihood/ employment enhancement, promoting education, Measures for reducing inequalities faced by orphans and economically backward groups and administration expenses.

The Company has spent ₹ 225.68 Lakhs (previous year-₹ 148.00 Lakhs) through H. L. Somany Foundation which is related party of the Company. Details of Related party transactions are given in Note No. 42.

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

- 58.** There are following charges appearing on the website of the MCA. These are very old charges against which the Company has no loan outstanding as at reporting date. The Company is taking up with the MCA to remove these charges from its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	24.00	Kolkata
2	L.I.C. OF INDIA	24.00	Kolkata
3	L.I.C. OF INDIA	24.00	Kolkata
4	H.D.F.C. LTD.	19.65	Kolkata
5	ICICI BANK LTD.	50.00	Kolkata

### 59. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO BE DISCLOSED IN THE FINANCIAL STATEMENTS:

#### A. Detail of transactions and relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name	Nature of transaction	Balance as at 31 March, 2024	Balance as at 31 March, 2023	Relationship
Rabjyot Tradecon Private Limited*	Trade Receivable	-	15.73	None

\* payment received during the year from the director of struck off company on its behalf.

#### B Other disclosures required under Schedule III amendments

- i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- ii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- iii) The Company has complied with the number of layers prescribed under the Companies Act, 2013
- iv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31 March, 2024 and 31 March, 2023 which needs to be recorded in the books of account
- v) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year
- vi) Utilization of borrowed funds and share premium:-
  - a) The Company during the year has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 (w.r.t transaction in previous year refer note no. 39) .
  - b) The Company during the year has not received any fund from any person(s) or entity(ies), 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.
- vii) Borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken

## Notes to Standalone Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

- 60.** The Company has been sanctioned working capital limit from bank on the basis of security of current assets. The quarterly returns/ statements filed by the Company with the bank, are in agreement with the books of accounts of the Company of the respective quarters and differences, are not material.
- 61.** During the financial year 2018-19, the Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated 11 February, 2021 with the Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated 12 February, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs), which has since been transferred in the name of the Company, as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the said MOU, the Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. The Company has during the year sold on property and increased the "Liability under Defalcation Suit". Awaiting the final decree of the Hon'ble Civil Court, the Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 16 amounting to ₹ 657.75 Lakhs (Previous year ₹ 657.75 Lakhs) and also recognized 'Liability under Defalcation Suit' amounting to ₹ 665.42 Lakhs (net of Expenses) (Previous year ₹ 665.78 Lakhs) under Note no 27. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.
- 62.** The figures of the previous period have been regrouped/reclassified, wherever considered necessary, to conform current period classifications. The impact of the such regrouping/reclassification is not material.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

#### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Amrisha Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

# Independent Auditor's Report

To the Members of Somany Ceramics Limited

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Somany Ceramics Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and other financial information of the subsidiaries referred to in the "Other Matters" section below, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated 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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	<b>Valuation of trade receivables, loans and other financial assets</b>  The Holding Company assesses periodically and at each financial year end, expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.	<b>How our audit addressed the key audit matter:</b>  We obtained an understanding of the Holding Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other

## Independent Auditor's Report (Contd.)

S.N.	Key Audit Matter	Auditor's Response
	<p>We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other financial assets as at the reporting date. Accordingly, due to complexity/ judgement involved in identification of expected credit loss, valuation of trade and other financial assets were determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>financial assets. We have obtained year-end balance confirmations for inter corporate deposits and obtained confirmation from selected customers as on date determined by us. In case of confirmation not received from customers, we have verified the subsequent realization, wherever received. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Holding Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other financial assets to be reasonable.</p>
2.	<p><b>Valuation of inventories</b></p> <p>The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management of Holding Company on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, and turnover rate. Accordingly, due to complexity/ judgement involved in inventory valuation, inventory valuation was determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p><b>How our audit addressed the key audit matter:</b></p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

**OTHER INFORMATION**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Corporate Governance Report, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the

extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by other auditors. 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 CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial statements



## Independent Auditor's Report (Contd.)

that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group has adequate internal financial controls system with reference to consolidated 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 the 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 ability of the Holding Company and its subsidiaries 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors 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 consolidated financial statements for the financial year ended March 31, 2024 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.

### OTHER MATTER

- We did not audit the financial statements/other financial information of six subsidiaries incorporated in India, whose financial statements/financial information reflect total assets of Rs. 7,712.70 Lakhs as at March 31, 2024, total revenues of Rs. 10,532.63 Lakhs, total net profit/(loss) after tax of Rs. 313.17 Lakhs, total comprehensive income of Rs. 317.32 Lakhs and net cash inflows of Rs. 141.65 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/other financial information have been audited by other auditors whose financial statements/other financial information and audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- We did not audit the financial statements/financial information of five subsidiaries incorporated in India, whose financial statements/other financial information reflect total assets of Rs. 49,534.55 Lakhs as at March 31, 2024, total revenues of Rs. 60,537.66 Lakhs, total net profit/(loss) after tax Rs. 724.35 Lakhs, total comprehensive income of Rs. 764.13 Lakhs and net cash inflows of Rs. 179.44 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These audited financial statements/other financial information were adjusted to align with accounting policies of the Holding Company for preparing consolidated financial statements and these adjustments were audited by other auditors whose financial statements/other financial information and audit reports along with fit for consolidation reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- One subsidiary incorporated in India, ceased to be a subsidiary with effect from July 01, 2023, whose financial information includes total revenues of Rs. 225.58 Lakhs, total net profit/(loss) after tax of Rs. (70.20) Lakhs and total comprehensive Income of Rs. (70.20) Lakhs and net cash inflows of Rs. 134.91 Lakhs for the period April

## Independent Auditor's Report (Contd.)

01, 2023 to June 30, 2023 as considered in consolidated financial statements. This financial information is unaudited and have been furnished to us by the management, however, it is reviewed by other auditor whose limited review report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 2(B)(f) below reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules 2014;
    - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
    - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
    - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
    - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
    - (g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure B" to this report;
- B. 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 and based on the consideration of the report of the other auditors on separate financial statements and also other financial information of subsidiary companies:
  - (a) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position

## Independent Auditor's Report (Contd.)

of the Group in its consolidated financial statements – Refer Note 39 to the consolidated financial statements;

- (b) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- (d) i. The respective managements of the Holding Company and its subsidiaries incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, that to the best of their knowledge and belief, as disclosed in the Note 55(c)(viA) to the consolidated financial statements, 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 Holding Company or any of such subsidiaries to or in 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii. The respective managements of the Holding Company and its subsidiaries incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 55(c)(viB) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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.

- (e) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the auditors to believe that the representations under sub-clause (i) and (ii) of rule 11(e) as provided under (a) and (b) above, contain any material misstatement
  - (i) As stated in Note 48 to the consolidated financial statements-
    - a) The dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
    - b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
    - c) Subsidiary Companies have not paid or declared or proposed any dividend during the year.
- (f) Based on our examination which included test checks, and as communicated by the respective auditor of eleven subsidiaries incorporated in India, except for the instances mentioned below, the Holding Company and its subsidiary companies have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all transactions recorded in the respective softwares and the audit trail feature has not been tampered with:
  - a) In case of the Holding Company and its four subsidiary companies incorporated in India, the

## Independent Auditor's Report (Contd.)

- feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account in the accounting software.
- b) In case of the two subsidiary Companies incorporated in India , as communicated by the auditor of such subsidiary, company has used accounting software for maintaining its books of accounts for the financial year ended 31st march,2024. which has feature of recording audit trail (edit log) facility. However, the same has not been operated throughout the year for all relevant transactions recorded in the software.
- c) In respect of one subsidiary incorporated in India which ceased to be subsidiary with effect from July 01,2023, we cannot comment about whether such subsidiary has used accounting software for maintaining books of accounts which have a feature of recording audit trail (edit log) facility and same has been operated during the period from April 01, 2023 to June 30, 2023 as we have not received audit report in this respect from its auditor.
- d) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- C. In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/provided during the year by the Holding Company and its subsidiary companies incorporated in India, to its directors is in accordance with the provisions of section 197 of the Act.

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No. 302049E

**Bimal Kumar Sipani**

Partner

Membership No. 088926  
UDIN: 24088926BKELXA2866

Date: May 15, 2024  
Place: Noida (Delhi-NCR)

## Annexure A to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Consolidated Financial Statements as of and for the year ended on March 31, 2024 (refer to in paragraph 1 of our report on other legal and regulatory requirements)

With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective subsidiary companies incorporated in India included in the consolidated financial statements, as provided to us by the management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in their reports of the said respective companies included in the consolidated financial statements except for the following:

S. No.	Name	CIN	Holding/ Subsidiary	Clause no. of the CARO report which is qualified or adverse
1.	Amora Tiles Private Limited	U26933GJ2013PTC075379	Subsidiary	(ii) (b)
2.	Somany Sanitary Ware Private Limited	U26915GJ2012PTC070115	Subsidiary	(ii) (b)
3.	Acer Granito Private Limited	U26914GJ2008PTC053525	Associate <sup>#</sup>	(ii) (b)

<sup>#</sup>Subsidiary as per IND AS

## **Annexure B** to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Consolidated Financial Statements as of and for the year ended on March 31, 2024 (refer to in paragraph 2(A)(g) of our report on other legal and regulatory requirements)

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited ("the Holding Company") and its subsidiary companies incorporated in India (the Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the respective 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. 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements 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 as audit of internal financial controls Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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 with reference to consolidated financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

A Company's internal financial control over with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 authorization 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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of Internal Financial Controls with reference consolidated financial statements, including the possibility

## Annexure B to Independent Auditor's Report (Contd.)

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 controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the "Other Matters" paragraph below, the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

### OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to eleven (11) subsidiary companies incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiary companies. The Holding Company has consolidated financial information of one (1) subsidiary which are companies incorporated in India, ceased to be a subsidiary w.e.f. July 01, 2023, on the basis of unaudited financial statements/ financial information, however, it is reviewed by its auditor. In our opinion and according to the information and explanations given to us by the management, such subsidiary is not material to the Group. Our opinion is not modified in respect of the above matters.

**For Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

**Bimal Kumar Sipani**

Partner

Membership No. 088926

UDIN: 24088926BKELXA2866

Date: May 15, 2024

Place: Noida (Delhi-NCR)



# Consolidated Balance Sheet

As at 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3 (i)	1,07,504.40	96,472.59
Capital work-in-progress	3 (ii)	959.58	4,725.59
Right of use Assets	3 (iii)	3,835.65	4,294.07
Other Intangible Assets	3 (iv)	19.73	22.21
Goodwill on Consolidation		727.97	727.97
<b>Financial Assets</b>			
(i) Investments	4	0.49	-
(ii) Loans	5	-	260.10
(iii) Other Financial Assets	6	1,715.12	1,785.56
Deferred Tax Assets (Net)	22	806.98	836.46
Other Non-Current Assets	7	664.34	2,045.94
		<b>1,16,234.26</b>	<b>1,11,170.49</b>
<b>Current Assets</b>			
Inventories	8	34,658.44	39,147.95
<b>Financial Assets</b>			
(i) Investments	9	1,456.82	3,185.03
(ii) Trade Receivables	10	33,722.20	26,831.38
(iii) Cash and Cash Equivalents	11	5,919.83	14,607.52
(iv) Bank Balances other than (iii) above	12	1,169.84	846.66
(v) Loans	13	-	80.00
(vi) Other Financial Assets	14	473.44	126.79
Current Tax Assets (net)	15	604.67	1,097.05
Other Current Assets	16	4,139.87	4,018.10
		<b>82,145.11</b>	<b>89,940.48</b>
		<b>1,98,379.37</b>	<b>2,01,110.97</b>
<b>Total Assets</b>			
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	17	820.07	849.48
Other Equity	18	71,193.88	77,847.46
		<b>72,013.95</b>	<b>78,696.94</b>
Non-controlling Interest		11,282.21	10,756.68
		<b>83,296.16</b>	<b>89,453.62</b>
<b>Total Equity</b>			
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	19	18,566.82	18,511.02
(ii) Lease Liabilities		3,412.71	3,778.44
(iii) Other Financial Liabilities	20	3,213.59	3,067.10
Provisions	21	1,101.08	1,044.99
Deferred Tax Liabilities (Net)	22	3,693.07	3,269.10
Other Non-Current Liabilities	23	868.76	602.97
		<b>30,856.03</b>	<b>30,273.62</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	24	14,944.01	30,325.83
(ii) Lease Liabilities		828.28	807.35
(iii) Trade Payables	25		
Outstanding dues of Micro Enterprises and Small Enterprises		6,992.86	4,273.24
Outstanding dues other than Micro Enterprises and Small Enterprises		48,933.75	33,490.44
(iv) Other Financial Liabilities	26	3,448.49	2,764.30
Other Current Liabilities	27	8,584.20	9,202.41
Provisions	28	478.56	519.90
Current Tax Liabilities (net)	29	17.03	0.26
		<b>84,227.18</b>	<b>81,383.73</b>
		<b>1,98,379.37</b>	<b>2,01,110.97</b>
<b>Total Equity and liabilities</b>			

Material Accounting Policies and Other Notes to Consolidated Financial Statements.

1 to 60

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of Board of Directors

For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

Shreekanth Somany

Chairman & Managing Director  
DIN: 00021423

Abhishek Somany

Managing Director & CEO  
DIN: 00021448

Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida  
Date: 15 May, 2024

Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

Ambrish Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

## Consolidated Statement of Profit and Loss

For the year ended 31 March, 2024  
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>I. Income</b>			
Revenue from Operations	30	2,59,135.45	2,47,850.73
Other Income	31	1,061.49	1,454.27
<b>Total Revenue (I)</b>		<b>2,60,196.94</b>	<b>2,49,305.00</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	32	54,277.03	63,763.52
Purchases of Stock-in-Trade		59,908.37	54,248.05
Change in Inventories of Finished Goods and Work-in-progress & Stock-in-Trade	33	5,608.23	(11,067.53)
Employee Benefits Expense	34	32,437.28	30,115.14
Finance Costs	35	4,645.57	4,035.99
Depreciation and Amortization Expenses	3 & 36	7,251.22	6,785.25
Other Expenses	37	81,583.36	91,921.15
<b>Total Expenses (II)</b>		<b>2,45,711.06</b>	<b>2,39,801.57</b>
<b>III. Profit Before Exceptional Items and Tax (I-II)</b>		<b>14,485.88</b>	<b>9,503.43</b>
IV. Exceptional Items	46	205.06	217.68
<b>V. Profit before tax (III-IV)</b>		<b>14,280.82</b>	<b>9,285.75</b>
VI. Tax Expense:			
1) Current Tax	22		
- Current year		3,905.50	3,207.18
- For earlier years		(0.32)	105.30
2) Deferred Tax Charge/(Credit)	22	437.16	(718.39)
<b>VII. Profit for the year (V-VI)</b>		<b>9,938.48</b>	<b>6,691.66</b>
<b>VIII. Other Comprehensive Income (OCI)</b>			
(1) Items that will not be reclassified to profit & loss		56.90	(76.01)
Income Tax relating to above	22	(16.89)	18.72
(2) Items that will be reclassified to profit & loss		-	-
<b>IX. Total Comprehensive Income for the year (VII+VIII)</b>		<b>9,978.49</b>	<b>6,634.37</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		9,688.94	7,149.16
Non controlling interests		249.54	(457.50)
<b>Other Comprehensive Income attributable to:</b>			
Owners of the Company		16.85	(66.67)
Non controlling interests		23.16	9.38
<b>Total Comprehensive Income attributable to:</b>			
Owners of the Company		9,705.79	7,082.49
Non controlling interests		272.70	(448.12)
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	38		
<b>Basic (In ₹)</b>		<b>23.00</b>	<b>16.83</b>
<b>Diluted (In ₹)</b>		<b>22.98</b>	<b>16.83</b>

Material Accounting Policies and Other Notes to Consolidated Financial Statements. 1 to 60

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of Board of Directors

**For Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

**Shreekant Somany**

Chairman & Managing Director  
DIN: 00021423

**Abhishek Somany**

Managing Director & CEO  
DIN: 00021448

**Bimal Kumar Sipani**

Partner  
M. No. 088926

**Amit Sahai**

CEO - Tiles Business  
PAN: AHOPS1790C

**Sailesh Raj Kedawat**

Chief Financial Officer  
ICAI M. No. 77330

**Ambrish Julka**

Sr. GM - Legal and Company Secretary  
M. No.: F4484

Place: Noida  
Date: 15 May, 2024

## Consolidated Statement of Change in Equity for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Equity Share Capital &amp; Reconciliation of number of shares outstanding at the beginning and end of the year :</b>				
Balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Buyback of equity shares	(14,70,588)	(29.41)	-	-
Balance at the end of the year	<b>4,10,03,620</b>	<b>820.07</b>	<b>4,24,74,208</b>	<b>849.48</b>

### (b) Other Equity

Particulars	Owner's Other Equity							Non Controlling Interest	Total Other Equity	
	Reserves and Surplus						Total			
	Capital Redemption Reserve	Capital Reserve	Share options outstanding account	Security Premium	General Reserve	Total Retained earnings				
						Retained earnings				Remeasurement of defined benefit plans
<b>Balance at 31 March, 2023*</b>	<b>435.43</b>	<b>(4,377.32)</b>	<b>259.15</b>	<b>16,991.77</b>	<b>6,191.01</b>	<b>58,423.30</b>	<b>(75.88)</b>	<b>77,847.46</b>	<b>10,756.68</b>	<b>88,604.14</b>
Profit for the year	-	-	-	-	-	9,688.93	-	9,688.93	249.54	9,938.47
Recognition of Share based payments	-	-	428.28	-	-	-	-	428.28	-	428.28
Buyback of equity shares, including tax thereon	29.41	-	-	(15,375.73)	(29.41)	-	-	(15,375.73)	-	(15,375.73)
Transaction cost related to buyback of equity shares (net of taxes)	-	-	-	(137.68)	-	-	-	(137.68)	-	(137.68)
Derecognition on divestment in a subsidiary	-	-	-	-	-	-	-	-	(1,047.17)	(1,047.17)
Transferred on divestment of Subsidiary (Refer Note No.56)	(357.00)	-	-	-	-	360.90	(3.90)	-	-	-
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	1,300.00	1,300.00
Other comprehensive income for the year	-	-	-	-	-	-	16.85	16.85	23.16	40.01
<b>Total Comprehensive Income for the year</b>	<b>(327.59)</b>	<b>-</b>	<b>428.28</b>	<b>(15,513.41)</b>	<b>(29.41)</b>	<b>10,049.83</b>	<b>12.95</b>	<b>(5,379.35)</b>	<b>525.53</b>	<b>(4,853.82)</b>
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23	-	1,274.23
<b>Balance at 31 March, 2024</b>	<b>107.84</b>	<b>(4,377.32)</b>	<b>687.43</b>	<b>1,478.36</b>	<b>6,161.60</b>	<b>67,198.90</b>	<b>(62.93)</b>	<b>71,193.88</b>	<b>11,282.21</b>	<b>82,476.09</b>
<b>Balance at 31 March, 2022*</b>	<b>435.43</b>	<b>(4,377.32)</b>	<b>-</b>	<b>16,991.77</b>	<b>6,191.01</b>	<b>52,547.47</b>	<b>(8.19)</b>	<b>71,780.17</b>	<b>10,761.83</b>	<b>82,542.00</b>
Profit for the year	-	-	-	-	-	7,149.16	-	7,149.16	(457.50)	6,691.66
Recognition of Share based payments	-	-	259.15	-	-	-	-	259.15	-	259.15
Loss on issue of shares by subsidiary to Non Controlling Interest	-	-	-	-	-	(0.12)	-	(0.12)	0.12	-
Transferred from OCI on divestment of Subsidiary	-	-	-	-	-	1.02	(1.02)	-	-	-
Derecognition on divestment in a subsidiary	-	-	-	-	-	-	-	-	(557.15)	(557.15)
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	1,000.00	1,000.00
Other Comprehensive Income for the year	-	-	-	-	-	-	(66.67)	(66.67)	9.38	(57.29)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>259.15</b>	<b>-</b>	<b>-</b>	<b>7,150.06</b>	<b>(67.69)</b>	<b>7,341.52</b>	<b>(5.15)</b>	<b>7,336.37</b>
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23	-	1,274.23
<b>Balance at 31 March, 2023</b>	<b>435.43</b>	<b>(4,377.32)</b>	<b>259.15</b>	<b>16,991.77</b>	<b>6,191.01</b>	<b>58,423.30</b>	<b>(75.88)</b>	<b>77,847.46</b>	<b>10,756.68</b>	<b>88,604.14</b>

\*There are no changes in other equity due to prior period errors

**Capital Redemption Reserve:** This Reserve has been created by an appropriation from one component of equity (Free reserves) to another, not being an

## Consolidated Statement of Change in Equity for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Share options outstanding account:** This Reserve relates to stock options granted by the Company to employees under Somany Employee Stock Option Scheme(ESOP) 2021 and ESOP 2023. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

**General reserve:** This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Capital Reserve:** It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation in earlier years of ₹ (4,592.11) Lakhs; b.) amalgamation Reserve of ₹ 191.27 Lakhs; c.) reserve of ₹ 22.90 Lakhs against maturity of special bearer bonds of RBI received and Bonus Shares issued by amalgamating Companies; d) others of ₹ 0.63 Lakhs and can be utilized in accordance with the provisions of Companies Act, 2013

The accompanying Notes are an integral part of the Consolidated Financial Statements.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

#### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Amrish Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

# Consolidated Statement of Cash Flows

for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>A. Cash Flow From Operating Activities</b>		
<b>Profit before Tax as per Statement of Profit &amp; Loss</b>	14,280.81	9,285.76
I. Adjusted for:		
Depreciation and Amortization Expenses	7,251.22	6,785.25
Finance Costs	4,645.57	4,035.99
Interest Income	(736.92)	(738.26)
(Profit)/Loss on Sales of Investment (Net)*	1,171.22	(21.92)
Unrealized Foreign Exchange (Gain)/Loss (Net)	(2.87)	2.23
Net movement on Fair Value of current Investments*	(1,690.93)	(89.25)
Provision for credit losses/ doubtful advances	214.76	482.20
Bad Debts	3.13	7.16
Deferred Income	-	(102.39)
Loss on divestment in a subsidiary*	661.51	217.68
Provision for Employee stock option plan	428.28	259.15
Sundry Balances Written Off	0.09	17.97
Sundry Balances Written Back	(251.84)	(88.07)
(Profit)/Loss on sale of Property, Plant and Equipment (net)	(101.97)	(255.73)
Property, Plant and Equipment Discard /Written Off	114.40	23.80
<b>Operating Profit Before Working Capital Changes</b>	<b>25,986.46</b>	<b>19,821.57</b>
II. Adjusted For :		
Trade and Other Receivables	(7,524.62)	(3,696.58)
Inventories	4,291.79	(12,638.34)
Trade and Other Payables	19,987.10	15,438.73
<b>Cash Generated from Operation</b>	<b>42,740.73</b>	<b>18,925.38</b>
Income Taxes Refund/ (Paid)	(3,401.97)	(2,471.18)
<b>Net Cash Inflow/(Outflow) From Operating Activities (A)</b>	<b>39,338.76</b>	<b>16,454.20</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(16,145.52)	(17,653.25)
Sale of Property, Plant and Equipment	447.54	458.46
Consideration received from divestment in a Subsidiary	428.40	362.21
Purchase of Non-Current Investments	(0.49)	(214.56)
Sale of Current Investments	1,920.78	3,143.55
Interest Received	719.41	792.46
Inter Corporate Deposits given	(357.00)	(460.10)
Inter-Corporate Deposits Received Back	697.10	420.00
(Investment)/Maturity in Fixed Deposits	-	4,062.82
<b>Net Cash Inflow/(Outflow) From Investing Activities (B)</b>	<b>(12,289.78)</b>	<b>(9,088.41)</b>

## Consolidated Statement of Cash Flows for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Non Current Borrowings	5,011.98	6,431.83
Repayment of Non Current Borrowings	(4,939.75)	(4,822.00)
Proceeds/(Repayment) of Current Borrowings (net)	(15,697.59)	(247.48)
Proceeds from Short Term Loans	16,963.21	2,892.62
Repayment of Short Term Loans	(15,963.21)	(1,592.62)
Payment of Lease Liabilities	(754.36)	(674.63)
Buyback of equity shares, including tax and expenses thereon	(15,542.82)	-
Proceeds from issue of equity shares by subsidiaries to Non Controlling Interest shareholders	1,300.00	1,000.00
Interest Paid	(4,698.11)	(3,845.55)
Dividend Paid	(1,274.23)	(1,274.23)
<b>Net Cash Inflow/(Outflow) From Financing Activities (C)</b>	<b>(35,594.88)</b>	<b>(2,132.06)</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)</b>	<b>(8,545.90)</b>	<b>5,233.73</b>
<b>Cash And Cash Equivalents</b>		
At the beginning of the year	14,607.52	9,376.23
Less: Cash and Cash Equivalents on divestment in a subsidiary	(141.79)	(2.45)
	<b>14,465.73</b>	<b>9,373.78</b>
<b>At the year end</b>	<b>5,919.83</b>	<b>14,607.52</b>

### Notes :

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash and Cash Equivalents represents cash and bank balances (Refer note no. 11).
- Additional Disclosure required under Ind AS 7 (Refer note no. 52).
- \*includes Item disclosed under Exceptional items in Statement of Profit & Loss (Refer note no. 46).
- The accompanying Notes are an integral part of the Consolidated Financial Statements.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

#### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Amrish Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 1 REPORTING ENTITY

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited ("the Company" or "Parent") and its subsidiaries (collectively, "the Group") for the year ended 31 March, 2024. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Group has manufacturing plants in Kassar (Haryana), Velampadu (Andhra Pradesh), Chandigarh, Kadi and Morbi (Gujarat) India. The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended 31 March, 2024 were approved for issue by board of directors on 15 May, 2024. However, the shareholders have the power to amend the Consolidated Financial Statements after the issue.

## 2 MATERIAL ACCOUNTING POLICIES

The Group has consistently applied accounting policies except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

### 2.1 Statement of compliance

The Consolidated Financial Statements of the Group comply with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

### 2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- has power over the investee;
- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements to control listed below. Loss of Control is determined when the Group:

- has no power over the investee;
- is not exposed to, or not has rights, to variable returns from its involvement with the investee; and
- not has the ability to use its power to affect its returns.

When loss of control over subsidiary is established, the parent shall derecognizes the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary from the consolidated balance sheet at their carrying amounts at the date when control is lost. The parent shall recognize any resulting difference as a gain or loss in profit or loss attributable to the parent.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 58.

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealized profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying

economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

### 2.3 Basis of preparation and measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortized cost.
- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Share based payments are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that



# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- **Level 2** inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

## 2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee (₹), which is the Group's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

## 2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

### Judgements

Information about the judgements made in applying accounting policies that have the most material effects on the amounts recognized in the Consolidated Financial Statements have been given below:

- Assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors;
- Assessment of reliability of inputs considered for fair valuation of financial assets and liabilities falls under hierarchy Level 3;
- Assessment of appropriate inputs to the Black Scholes model for valuation of Share based payments including the expected life of the share option, volatility and dividend yield and making assumptions about them.

## 2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## 2.7 Property, Plant and Equipment

### Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 01 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

### Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that there is a future economic benefits associated with the expenditure will flow to the Group.

### Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5-25 Years
Vehicles	5-8 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, which ever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognized impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use and commissioning has been completed.

### De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Profit & Loss.

## 2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 01 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortization methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Consolidated Statement of Profit & Loss when the asset is derecognized.

## 2.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit & Loss.

## 2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortized on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognized in the Consolidated Statement of Profit & Loss in the period in which they are incurred.

## 2.11 Foreign currency transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the Consolidated Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 2.12 Employee benefits

#### Short term employee benefits

Short term employee benefits are expensed in the year in which the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Defined contribution plans

Employee benefits in the form of Provident Fund and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI and such remeasurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognized in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

#### Share Based Payments

The Group 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 Payment".

The Group initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred which has been considered most appropriate model. 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 no. 47

### 2.13 Revenue Recognition

The Group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customers. Revenue towards satisfaction of a performance obligation is measured at transaction price allocated to that performance obligation. This is achieved when control of the products has been transferred to the customers, which is generally determined when title, ownership, risk of obsolescence and loss pass

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

to the customers and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the products. The Group considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the recovery of shipping and handling costs from customers are included in transaction price.

Revenue (other than sale of goods) is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Transaction price represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognized on an accrual basis using the effective interest method.

Dividends are recognized at the time the right to receive payment is established.

## 2.14 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of manufactured finished goods and work in progress is determined by taking cost of material consumed, labour and related overheads. Cost of raw materials and packing materials, stock in trade and stores & spares are computed on weighted average basis. Purchases cost of raw materials and packing materials, stock in trade and stores & spares are net of input tax credits, rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and

to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Provision for cost of obsolescence and other anticipated losses, wherever considered necessary, are recognized in the books of account.

## 2.15 Provisions, Contingent Liabilities

Based on the best estimate, provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated Financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the Consolidated Financial Statements but disclosed, where an inflow of economic benefit is probable.

## 2.16 Measurement of fair value

### a) Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

### b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data. If fair value cannot be measured reliably unlisted shares are recognized at cost.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 2.17 Financial instruments

### A Financial Assets

#### i) Initial recognition and measurement

Financial assets (except trade receivables) are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### ii) Classifications and Subsequent measurement

The Group classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### a) Financial Assets at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the Consolidated Statement of Profit & Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit & Loss.

##### b) Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal

and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

##### c) Financial Assets at fair value through Profit & Loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss.

#### iii) Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value as FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

#### iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through'

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in Consolidated Statement of Profit & Loss.

## v) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

## B Financial liabilities

### i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

### ii) Classifications and Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### a) Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Consolidated Statement of Profit & Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit & Loss.

#### b) Financial liabilities at fair value through Profit & Loss

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Consolidated Statement of Profit & Loss.

### iii) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

### 2.18 Income tax

Income tax expense comprises current and deferred tax. It is recognized in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance Sheet date.

### 2.19 Leases

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.

#### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group'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.

#### Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and



## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

leases of low value assets, wherein, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

### Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

### Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

### 2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### 2.21 Government Grants

Government grants are recognized at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Grants such accrued are credited to the statement of profit and loss.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

### 2.22 Standard issued but not yet 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 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

3.

### (i) Property, Plant and Equipment (FY 2023-24)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Tangible Assets</b>										
Freehold land	4,122.20	19.55	61.37	4,080.38	-	-	-	-	4,122.20	4,080.38
Buildings	25,339.75	3,014.64	629.80	27,724.59	4,379.95	921.17	141.20	5,159.92	20,959.80	22,564.67
Plant and equipments	83,913.83	15,899.45	5,792.47	94,020.81	16,998.90	4,093.24	2,673.31	18,418.83	66,914.93	75,601.98
Office equipments	2,212.37	1,761.31	119.44	3,854.24	1,556.35	724.30	103.38	2,177.27	656.02	1,676.97
Furniture and fixtures	3,410.29	296.63	94.34	3,612.58	1,838.94	363.75	67.77	2,134.92	1,571.35	1,477.66
Vehicles	3,973.42	372.76	901.44	3,444.74	1,725.13	263.04	646.17	1,342.00	2,248.29	2,102.74
<b>Total</b>	<b>1,22,971.86</b>	<b>21,364.34</b>	<b>7,598.86</b>	<b>1,36,737.34</b>	<b>26,499.27</b>	<b>6,365.50</b>	<b>3,631.83</b>	<b>29,232.94</b>	<b>96,472.59</b>	<b>1,07,504.40</b>

### (ii) Capital Work in Progress (FY 2023-24)

Capital work-in-progress as at 31 March, 2024 is ₹ 959.58 Lakhs.

₹ 15,005.26 Lakhs is addition to Capital works in progress during the year ended 31 March, 2024.

₹ 18,771.27 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2024.

### (iii) Right of Use Assets (FY 2023-24)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Right of use Assets</b>										
Leasehold lands	343.97	-	-	343.97	20.39	4.09	-	24.48	323.58	319.49
Buildings	6,816.75	409.56	26.22	7,200.09	2,846.26	863.53	25.86	3,683.93	3,970.49	3,516.16
<b>Total</b>	<b>7,160.72</b>	<b>409.56</b>	<b>26.22</b>	<b>7,544.06</b>	<b>2,866.65</b>	<b>867.62</b>	<b>25.86</b>	<b>3,708.41</b>	<b>4,294.07</b>	<b>3,835.65</b>

### (iv) Other Intangible Assets (FY 2023-24)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2023	Additions	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	For the year	Deletions/ Adjustment	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024
<b>Intangible Assets</b>										
Computer Softwares	1,095.34	15.62	-	1,110.96	1,073.13	18.10	-	1,091.23	22.21	19.73
<b>Total</b>	<b>1,095.34</b>	<b>15.62</b>	<b>-</b>	<b>1,110.96</b>	<b>1,073.13</b>	<b>18.10</b>	<b>-</b>	<b>1,091.23</b>	<b>22.21</b>	<b>19.73</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

3.

### (i) Property, Plant and Equipment (FY 2022-23)

Particulars	Gross Block			Depreciation				Net Block		
	As at 31 March, 2022	Additions	Deletions / Adjustments	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustments	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
<b>Tangible Assets</b>										
Freehold land	2,324.91	1,941.32	144.03	4,122.20	-	-	-	-	2,324.91	4,122.20
Building	18,389.94	7,507.50	557.69	25,339.75	3,587.75	863.72	71.52	4,379.95	14,802.19	20,959.80
Plant and equipment	63,687.00	22,536.36	2,309.53	83,913.83	13,803.65	3,808.66	613.41	16,998.90	49,883.35	66,914.93
Office equipments	1,933.41	398.60	119.64	2,212.37	1,386.36	277.07	107.08	1,556.35	547.05	656.02
Furniture and fixtures	4,454.80	510.70	1,555.21	3,410.29	3,013.41	354.58	1,529.05	1,838.94	1,441.39	1,571.35
Vehicles	3,572.55	961.75	560.88	3,973.42	1,553.49	580.88	409.24	1,725.13	2,019.06	2,248.29
<b>Total</b>	<b>94,362.61</b>	<b>33,856.23</b>	<b>5,246.98</b>	<b>1,22,971.86</b>	<b>23,344.66</b>	<b>5,884.91</b>	<b>2,730.30</b>	<b>26,499.27</b>	<b>71,017.95</b>	<b>96,472.59</b>

### (ii) Capital Work in Progress (FY 2022-23)

Capital work-in-progress as at 31 March, 2023 is ₹ 4,725.59 Lakhs.

₹ 10,690.37 Lakhs is addition to Capital works in progress during the year ended 31 March, 2023.

₹ 28,635.41 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2023.

### (iii) Right of Use Assets (FY 2022-23)

Particulars	Gross Block			Amortization				Net Block		
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
<b>Right of use Assets</b>										
Leasehold lands	343.97	-	-	343.97	16.30	4.09	-	20.39	327.67	323.58
Buildings	5,267.91	1,902.30	353.46	6,816.75	2,164.16	861.89	179.79	2,846.26	3,103.75	3,970.49
<b>Total</b>	<b>5,611.88</b>	<b>1,902.30</b>	<b>353.46</b>	<b>7,160.72</b>	<b>2,180.46</b>	<b>865.98</b>	<b>179.79</b>	<b>2,866.65</b>	<b>3,431.42</b>	<b>4,294.07</b>

### (iv) Other Intangible Assets (FY 2022-23)

Particulars	Gross Block			Amortization				Net Block		
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
<b>Intangible Assets</b>										
Softwares	1,062.80	32.54	-	1,095.34	1,035.34	37.79	-	1,073.13	27.46	22.21
<b>Total</b>	<b>1,062.80</b>	<b>32.54</b>	<b>-</b>	<b>1,095.34</b>	<b>1,035.34</b>	<b>37.79</b>	<b>-</b>	<b>1,073.13</b>	<b>27.46</b>	<b>22.21</b>

#### Note:

1. Assets pledged and Hypothecated against borrowings: Please Refer note no. 19 & 24.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

3.

### Title deeds of Immovable Properties not held in name of the Company and its subsidiary:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company and its subsidiary
Property, Plant and Equipment*	Land	9.53	Erstwhile Schablona India Limited (Amalgamating Company)	No	01 April, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal.	Property acquired pursuant to Scheme of Amalgamation, effect of the same has not been given in the Title deed by the respective Government authorities.
Property, Plant and Equipment*	Building	155.59		No		

\* w.r.t the Company as at 31 March, 2024 and 31 March, 2023

### 4. INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED, FULLY PAID UP)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>a) Associate Company (measured at cost)</b>		
4,900 Equity Shares (Previous year - Nil) of ₹10/- each of Clean Max Ananta Private Limited (c)	0.49	-
	<b>0.49</b>	<b>-</b>

a. Aggregate amount of investments are given below:

Aggregate cost of Unquoted investments	0.49	-
--	------	---

b. Above investment is not listed on any stock exchange in India or outside India and these investments are carried at cost. There is no accumulated impairment as at current and previous year end.

c. The Company has made investment in 49% equity shares of Clean Max Ananta Pvt. Ltd("CMAPL") on 07 March, 2024 and became associate of the Company. Subsequent to reporting date, the Company has entered into various agreements with the other shareholder of CMAPL which restrict the Company to participate in the financial and operating policy decisions of the CMAPL. Therefore, the CMAPL cease to be an associate under IND AS, however, CMAPL continue as associate under the Companies Act, 2013.

### 5. LOANS

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
<b>Inter Corporate Deposits (ICD)</b>		
- With Others	-	260.10
	<b>-</b>	<b>260.10</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 6. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	0.45	0.60
Bank Deposits held as Margin Money	375.48	419.54
Security Deposits with others	1,339.19	1,365.42
	<b>1,715.12</b>	<b>1,785.56</b>

### 7. OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Capital Advances*	525.09	1,948.56
Prepaid Expenses	32.06	27.21
Deposits with Government Departments (under Protest)	107.19	70.17
	<b>664.34</b>	<b>2,045.94</b>

\*Capital Advances includes ₹ 376.50 Lakhs (Previous Year - ₹ 376.50 Lakhs), represents payment made to a party for purchase of parcel of land in Rajasthan who had offered different parcels of land to the subsidiary Company. The management is in the process of assessing/ scrutinizing the location, title deeds, etc considering its plan for setting up manufacturing unit and had also asked the party for alternative parcels of land. Management is confident of completing the process of acquisition in near future, hence considered the same good.

### 8. INVENTORIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Valued at Lower of Cost and Net Realizable Value )		
Raw Materials & Packing Materials	4,941.49	5,212.99
Work -in-Progress	2,581.52	2,283.05
Finished Goods	19,522.97	21,958.79
Stock in Trade	4,364.74	5,751.12
Stores and Spares	3,247.72	3,942.00
	<b>34,658.44</b>	<b>39,147.95</b>

- Inventories are hypothecated to secured borrowings. Refer note no. 19 & 24.
- During the year ₹ 93.10 Lakhs (previous year ₹ 56.38 Lakhs) has been charged to Statement of Profit and Loss on account of write down of inventories.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 9. CURRENT INVESTMENTS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>A Investments in Non Convertible Debentures (Quoted)</b> <b>(valued at fair value through profit &amp; loss - fully paid up)</b>		
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Ltd Bonds (NCD)	300.00	340.00
b) 103 Units (Previous Year - 103 Units) 9.00% Shriram Transport Finance Co. Ltd. (NCD)	1,004.25	1,004.25
c) Nil (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Ltd (NCD)		792.65
Less:- Provision for Impairment	-	792.65
d) Nil (Previous Year - 1,05,500 Units) 9.60% SREI Infrastructure Finance Ltd (NCD)		1,052.08
Less:- Provision for Impairment	-	1,052.08
<b>B) Investments in Mutual Fund (Un-Quoted)</b> <b>(valued at fair value through profit &amp; loss)</b>		
a) Nil (Previous Year - 6,21,563.581 Units) SBI Corporate Bond Fund - Regular Plan Growth	-	81.20
b) 3,28,359.77 Units (Previous Year - 3,28,359.77 Units) SBI Magnum Medium Duration Fund- Regular Growth	151.89	141.11
c) Nil (Previous Year - 1,23,47,217.261 Units) HDFC Ultra Short Term Fund- Direct Growth	-	1,618.21
<b>C) Investments in Equity Instruments (Quoted)</b> <b>(valued at fair value through Profit &amp; Loss - fully Paid up)</b>		
550 Equity Shares (Previous Year - 550) of ₹ 2/- each of Punjab National Bank Ltd.	0.68	0.26
	<b>1,456.82</b>	<b>3,185.03</b>
Aggregate cost of Quoted Investment	1,320.54	3,207.22
Aggregate Market Value of Quoted Investments	1,304.93	1,344.51
Aggregate cost of Un-Quoted Investment	75.00	1,637.27
Aggregate amount of impairment in value of Quoted Investments	-	1,844.73

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 10. TRADE RECEIVABLES

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Unsecured</b>		
Considered Good	33,511.50	26,170.72
Have Significant increase in Credit Risk	1,026.76	2,143.72
Considered Doubtful - Credit Impaired	1,514.28	774.78
	36,052.54	29,089.22
Less: Allowances for losses	2,330.34	2,257.84
	<b>33,722.20</b>	<b>26,831.38</b>

- a. Trade Receivables are hypothecated to secured borrowings. Refer note no. 19 & 24.  
 b. Refer note no. 50 (A) - Trade Receivables ageing.

### 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Balance with Banks</b>		
- In Current Accounts	3,168.26	1,490.40
Draft / Cheque on hand	-	0.01
Cash on Hand	40.17	49.25
Bank Deposits with original maturity of 3 months or less	2,711.40	13,067.86
	<b>5,919.83</b>	<b>14,607.52</b>

### 12. OTHER BANK BALANCES

Particulars	As at 31 March, 2024		As at 31 March, 2023	
Bank Deposit (Pledged with Government Departments)	1.12		1.55	
Less:- Maturity more than 12 months Shown Under "Other Non Current Financial Assets"	0.45	0.67	0.45	1.10
Bank Deposit held as Margin Money	1,123.94		1,017.35	
Less:- Maturity more than 12 months Shown Under "Other Non Current Financial Assets"	375.48	748.46	419.54	597.81
Fixed Deposits with Banks		388.73		213.08
<b>Earmarked Balances with Banks</b>				
Unclaimed Dividend Accounts		31.98		34.67
		<b>1,169.84</b>		<b>846.66</b>



## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 13. LOANS

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
<b>Inter Corporate Deposit</b>		
- to Others	-	80.00
	<b>-</b>	<b>80.00</b>

### 14. OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Accrued Interest	97.90	80.39
Deposit with others	42.33	30.77
Security Deposits with Government Department	0.60	0.60
Insurance claims receivable	5.47	15.03
Other Receivables <sup>#</sup>	327.14	-
	<b>473.44</b>	<b>126.79</b>

<sup>#</sup>Refer Note No.46.

### 15. CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of ₹ 10,051.51 Lakhs, (Previous year ₹ 6,216.21 Lakhs)]	604.67	1,097.05
	<b>604.67</b>	<b>1,097.05</b>

### 16. OTHER CURRENT ASSETS

Particulars	As at 31 March, 2024	As at 31 March, 2023
Prepaid Expenses	565.71	344.37
Export Incentives Receivable	62.98	138.76
Properties held in Trust (Refer note no. 57)	657.75	657.75
Vendor Advances*	1,358.57	1,555.63
Other Receivables* <sup>§</sup>	166.13	381.00
Indirect Tax Recoverable/adjustable	1,426.31	1,023.41
	<b>4,237.45</b>	<b>4,100.92</b>
*Less: Provision for Doubtful	97.58	82.82
	<b>4,139.87</b>	<b>4,018.10</b>

<sup>§</sup> Includes advance to staff and workers against salary and expenses etc.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 17. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Authorized</b>		
Equity Shares 16,15,00,000 (Previous Year - 16,15,00,000) of ₹ 2/-each	3,230.00	3,230.00
<b>Issued, Subscribed and Paid up</b>		
Equity Shares 4,10,03,620 (Previous Year - 4,24,74,208) of ₹ 2/- each fully paid up	820.07	849.48
	<b>820.07</b>	<b>849.48</b>

### a. Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2/- each. Each shareholder is eligible for one vote per share held and carry a 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.

### b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
	Issued	Issued
<b>Outstanding as on 01 April, 2022</b>	4,24,74,208	849.48
Equity Shares issued/ bought back during the year	-	-
<b>Outstanding as on 31 March, 2023</b>	4,24,74,208	849.48
Shares extinguished on buy back <sup>#</sup>	(14,70,588)	(29.41)
<b>Outstanding as on 31 March, 2024</b>	<b>4,10,03,620</b>	<b>820.07</b>

### c. Shareholdings of Promoters at the end of 31 March, 2024

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	97,72,190	23.83%	(03.05)%
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	42,05,385	10.26%	(03.05)%
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	42,05,385	10.26%	(03.05)%
iv)	Abhishek Somany (HUF)	18,55,633	4.53%	(03.05)%
v)	Ms. Anjana Somany	10,51,346	2.56%	(03.05)%
vi)	Ms. Minal Somany	6,69,030	1.63%	(03.05)%
vii)	Ms. Aanvi Somany	2,90,837	0.71%	(03.05)%
viii)	Ms. Anushree Chopra	1,95,255	0.48%	(03.05)%
ix)	Mr. Shrivatsa Somany	1,15,887	0.28%	(03.05)%
x)	Mr. Shreekant Somany	1,15,887	0.28%	(03.05)%
xi)	Mr. Ameya Somany	63,014	0.15%	(03.06)%
xii)	Mr. Abhishek Somany	18,942	0.05%	(03.05)%

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 17. EQUITY SHARE CAPITAL (CONTD.)

### Shareholdings of Promoters at the end of 31 March, 2023

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	-
vii)	Ms. Aanvi Somany	3,00,000	0.71%	-
viii)	Ms. Anushree Chopra	2,01,407	0.47%	-
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	-
x)	Mr. Shreekant Somany	1,19,538	0.28%	-
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	-

### d. List of shareholders holding more than 5% of the Equity Share

	As at 31 March, 2024	As at 31 March, 2023
i) Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	97,72,190	1,00,80,055
ii) Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	42,05,385	43,37,872
iii) Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	42,05,385	43,37,872
iv) Kotak Small CAP Fund	28,28,824	29,02,449
	<b>2,10,11,784</b>	<b>2,16,58,248</b>

### e. Equity shares movement during five years preceding 31 March, 2024

#### (i) Aggregate number of shares issued for consideration other than cash

Particulars	
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2021-22)	94,782
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2019-20)	1,90,87,200

#### (ii) Equity shares extinguished on buy-back

The shareholders of the Company vide postal ballot notice dated 26 October, 2023 approved the proposal of buyback 14,70,588 fully paid-up Equity Shares of the Company on a proportionate basis, through the tender offer route, at a price of ₹ 850/- per Equity Share payable in cash for an aggregate amount not exceeding ₹ 12,500 Lakhs (excluding transaction cost and taxes) on 02 December, 2023. The Company bought back 14,70,588 fully paid-up Equity Shares and settled all valid bids and extinguished equity shares bought back during the year.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 18. OTHER EQUITY

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Share options outstanding account</b>		
Balance at the beginning of the year	259.15	-
Employee stock option expenses	428.28	259.15
Closing balance	<b>687.43</b>	<b>259.15</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	(4,377.32)	(4,377.32)
Addition/ (Transfer) during the year	-	-
Closing balance	<b>(4,377.32)</b>	<b>(4,377.32)</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	435.43	435.43
Transferred from General Reserve on buy back of equity shares	29.41	-
Transferred to Retained earning on divestment of Subsidiary (Refer Note No.56)	(357.00)	-
Closing balance	<b>107.84</b>	<b>435.43</b>
<b>Security Premium</b>		
Balance at the beginning of the year	16,991.77	16,991.77
Buyback of equity shares, including tax thereon*	(15,375.73)	-
Transaction cost related to buyback of equity shares (net of taxes)*	(137.68)	-
Closing balance	<b>1,478.36</b>	<b>16,991.77</b>
<b>General Reserve</b>		
Balance at the beginning of the year	6,191.01	6,191.01
Transferred to Capital Redemption Reserve on buy back of equity shares	(29.41)	-
Closing balance	<b>6,161.60</b>	<b>6,191.01</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	58,423.30	52,547.47
Profit for the year	9,688.93	7,149.16
Loss on issue of shares by subsidiary to Non Controlling Interest	-	(0.12)
Transferred on divestment of Subsidiary (Refer Note No.56)	360.90	1.02
<b>Amount available for appropriation</b>	<b>68,473.13</b>	<b>59,697.53</b>
Less: Dividend Distributed	1,274.23	1,274.23
Closing Balance (a)	<b>67,198.90</b>	<b>58,423.30</b>
<b>Remeasurement of defined benefit plans</b>		
Balance at the beginning of the year	(75.88)	(8.19)
Other comprehensive income for the year	16.85	(66.67)
Transferred to Retained earning on divestment of Subsidiary (Refer Note No.56)	(3.90)	(1.02)
<b>Closing Balance (b)</b>	<b>(62.93)</b>	<b>(75.88)</b>
<b>Total Retained Earnings (a+b)</b>	<b>67,135.97</b>	<b>58,347.42</b>
<b>Total Other Equity</b>	<b>71,193.88</b>	<b>77,847.46</b>

\* Refer Note No. 17 (e) (ii)

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 19. BORROWINGS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Secured</b>		
<b>Rupee Term Loan</b>		
- from Banks	18,558.40	18,584.61
<b>Car Loan</b>		
- from Banks	1,449.98	1,199.18
<b>Unsecured</b>		
- from Others	2,113.44	2,965.80
70,00,000 11% Cumulative Redeemable Preference shares of ₹ 10/- each (CRPS)	700.00	-
	<b>22,821.82</b>	<b>22,749.59</b>
<b>Less: Current Maturities of Non Current Borrowings</b>		
<b>Rupee Term loan</b>		
- from Banks	3,236.18	3,887.77
<b>Car Loan</b>		
- from Banks	1,018.82	350.80
	<b>4,255.00</b>	<b>4,238.57</b>
	<b>18,566.82</b>	<b>18,511.02</b>

### Notes

- Rupee term loan of Nil (Previous Year ₹ 1,120.39 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks.
- Rupee Loan of ₹ 385.24 Lakhs (Previous Year ₹ 414.88 Lakhs) from a Bank is secured by way of hypothecation of Raw Material, stock in process, stock in transit, finished goods, Book debts and all other current assets of the Company (both current and future), equitable mortgage over factory land & building of the Company (present and future). Hypothecation of all machineries/fixed assets in the name of company. The said loan is further collaterally secured by Factory land and building bearing survey no.638/p1 & 641/p1-2-3 of ghuntu Morbi and equitable mortgage over plant and machinery and also personal guarantees of promoters directors. The said loan is tentatively repayable in, FY 2024-25 (₹ 137.33 Lakhs), FY 2025-26 (₹ 137.33 Lakhs) and FY 2026-27 (₹ 110.58 Lakhs)
- Rupee Loan of ₹ 803.59 Lakhs as on 31 March, 2024 (₹ 937.8 Lakhs as on 31 March, 2023) from a Bank is secured by way of hypothecation of entire plant and machinery & all fixed assets of the Company (present and future). The said loan is further collaterally secured by i) Land and Building bearing survey number 167/p1, situated as Sartanpar Gam, Rata virda road, Sartan Par Gam, Tal.Wankaner, Dist.Morbi. ii) Resi. Building bearing survey No.391/p1-2-3, Situated at Plot No.C.11, Madhuban Greens Society, Nr Atop food products, Rajkot Morbi road, Village:Lajai Ta.Tanakara. iii) Residential Building Bearing Survey No.1261/p3, Madhapar, Plot No.20p, Chitrakut Ghat-3, Society, Behind GIDC and Patel Kanya Chhatralay, Shanala Road, Morbi. The said loan is repayable in FY 2024-25 (₹ 132 Lakhs) FY 2025-26 (₹ 132 Lakhs) FY 2026-27 (₹ 132 Lakhs) FY 2027-28 (₹ 132 Lakhs) FY 2028-29 (₹ 132 Lakhs) FY 2029-30 (₹ 132 Lakhs) and FY 2030-31 (₹ 11.59 Lakhs)
- Rupee GECL Loan of ₹ 237.84 Lakhs as on 31 March, 2024 (₹ 237.85 Lakhs as on 31 March, 2023) from a Bank is secured by way of hypothecation of entire plant and machinery & all fixed assets of the Company (present and future). The said loan is further collaterally secured by i) Land and Building bearing survey number 167/p1, situated as Sartanpar Gam, Rata virda road, Sartan Par Gam, Tal.Wankaner, Dist. Morbi. ii) Resi. Building bearing survey No.391/p1-2-3, Situated at Plot No.C.11, Madhuban Greens Society, Nr Atop food products, Rajkot Morbi road, Village:Lajai Ta.Tanakara. iii) Residential Building Bearing Survey No.1261/p3, Madhapar, Plot No.20p, Chitrakut Ghat-3, Society, Behind GIDC and Patel Kanya Chhatralay, Shanala Road, Morbi. The said loan is repayable in FY 2024-25 (₹ 39 Lakhs) FY 2025-26 (₹ 78 Lakhs) FY 2026-27 (₹ 78 Lakhs) FY 2027-28 (₹ 42.84 Lakhs)

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 19. BORROWINGS (CONTD.)

- e Rupee loan of ₹ 479.43 Lakhs (31 March, 2023: ₹ 77.84 Lakhs) from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in the FY 2024-25 of ₹ 99.14 Lakhs, FY 2025-26 of ₹ 94.15 Lakhs, FY 2026-27 of ₹ 102.98 Lakhs, FY 2027-28 of ₹ 112.64 Lakhs and FY 2028-29 of ₹ 70.52 Lakhs.
- f Rupee term loan of ₹ 2,854.55 Lakhs (31 March, 2023 ₹ 3,710.91 Lakhs) from ICICI Bank is secured by Pari Passu First charge over the entire movable and immovable fixed assets of the Borrower including moveable and immoveable fixed assets of about 54.0 acres at Srikalahasthi Mandal, Chithoor District, Andhra Pradesh, both present & future ranking pari passu with other lenders and other facilities of ICICI bank. Pari Passu First charge over the entire current assets of the Borrower, both present and future, ranking pari passu with other lenders and other facilities of the bank. Repayment of aforesaid loan is ₹ 856.37 Lakhs, ₹ 999.09 Lakhs and ₹ 999.09 Lakhs in FY 2024-25, FY 2025-26 and FY 2026-27 respectively.
- g Rupee term loan of ₹ 500.00 Lakhs (31 March, 2023 ₹ 650.00 Lakhs) from ICICI Bank is secured by Pari passu first charge over the entire movable and immovable fixed assets of the Borrower including movable & immovable fixed assets situated at about 54.0 acres at Srikalahasthi Mandal, Chithoor District, Andhra Pradesh, both present & future, ranking pari passu with other lenders and other facilities of ICICI bank. Pari Passu First charge over the entire current assets of the Borrower, both present and future, ranking pari passu with other lenders and other facilities of the bank. Repayment of aforesaid loan is ₹ 150.00 Lakhs, ₹ 175.00 Lakhs and ₹ 175.00 Lakhs in FY 2024-25, FY 2025-26 and FY 2026-27 respectively.
- h Rupee term loan of ₹ 2281.25 Lakhs (31 March, 2023 ₹ 2500.00 Lakhs) from ICICI Bank is secured by Pari Passu First Charge over the entire movable and immovable fixed assets of the Borrower including movable & immovable fixed assets situated at about 54.0 acres of land at Srikalahasthi Mandal, Chithoor District, Andhra Pradesh, both present & future, ranking pari passu with other lenders and other facilities of ICICI bank. Pari Passu First charge over the entire current assets of the Borrower, both present and future, ranking pari passu with other lenders and other facilities of the bank. Repayment of aforesaid loan is ₹ 375.00 Lakhs, ₹ 406.25 Lakhs, ₹ 500 Lakhs, ₹531.25 Lakhs and ₹ 468.75 Lakhs in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY 2028-29 respectively.
- i Rupee term loan of ₹ 626.11 Lakhs (31 March, 2023 ₹ 725 Lakhs) from ICICI Bank is secured by Pari Passu First Charge over the entire movable and immovable fixed assets of the Borrower including movable & immovable fixed assets situated at about 54.0 acres of land at Srikalahasthi Mandal, Chithoor District, Andhra Pradesh, both present & future, ranking pari passu with other lenders and other facilities of ICICI bank. Pari Passu First charge over the entire current assets of the Borrower, both present and future, ranking pari passu with other lenders and other facilities of the bank. Repayment of aforesaid loan is ₹ 132.00 Lakhs, ₹132.00 Lakhs, ₹ 132.00 Lakhs, ₹ 132.00 Lakhs and ₹98.11 Lakhs in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY28-29 respectively.
- j Rupee term loan of ₹ 2238.70 Lakhs (31 March, 2023 ₹ 2598.80 Lakhs) from Axis Bank is secured by Pari Passu First charge over the entire movable and immovable fixed assets of the Borrower including movable & immovable fixed assets situated at about 54.0 acres of land at Srikalahasthi Mandal, Chithoor District, Andhra Pradesh, both present & future, ranking first pari passu with AXIS Bank and other facilities of ICICI Bank. Parri Passu First charge over the entire current assets of the Borrower, both present & future, ranking first pari passu with AXIS Bank and other facilities of ICICI Bank. Repayment of aforesaid loan is ₹ 424.92 Lakhs, ₹ 462.04 Lakhs, ₹462.04 Lakhs, ₹563.42 Lakhs and ₹ 326.28 Lakhs in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28 and FY28-29 respectively.
- k Rupee loan of ₹ 9.60 Lakhs (31 March, 2023: ₹ 125.83 Lakhs) from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in the FY 2024-25 of ₹ 9.60 Lakhs.
- l Term loan of ₹600.00 Lakhs ( as on 31-03-2023 ₹ 900.00 Lakhs, ) is repayable in, FY 24-25 ₹ 300.00 Lakhs and FY 25-26 ₹ 300.00 Lakhs.
- m Term loan of ₹ 75.04 Lakhs ( Previous Year ₹105.04 Lakhs) is repayable in FY 2024-25 ₹ 30.00 Lakhs FY 2025-26 ₹ 30.00 Lakhs and FY 2026-27 ₹15.04 Lakhs.
- n Term Loan of ₹ 65.63 Lakhs (previous year ₹ 228.89 Lakhs) is repayable in FY 2024-25 ₹ 65.63 Lakhs
- o Term Loan of ₹ 233.18 Lakhs (Previous year ₹ 362.85 Lakhs) is repayable in Lakhs, FY 2024-25 ₹ 142.48 Lakhs and in FY 2025-26 ₹ 90.70 Lakhs

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 19. BORROWINGS (CONTD.)

- p Rupee loan of ₹ 12.71 Lakhs (Previous Year ₹ 88.96 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable & Immovable fixed assets (including Land) and all current assets of the Company both present and future . The aforesaid loan is repayable in equal Monthly installments.
- q Rupee loan of ₹ 6,000.00 Lakhs (Previous Year ₹ 3,800 Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable and immovable fixed assets including current assets, both present and future, of the Company at Morbi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹ 210 Lakhs, ₹ 570 Lakhs, ₹ 840 Lakhs, ₹ 1,320 Lakhs, ₹ 1,500 Lakhs and ₹ 1,560 Lakhs in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.  
Finance cost pertaining to aforesaid loan has been measured under amortized cost using Effective Interest Rate (EIR) Method and loan amount has been reduced by ₹ 44.47 Lakhs.
- r Rupee loan of ₹ 1,200.00 Lakhs (Previous Year ₹ Nil) from a Bank is secured by first pari passu charge by way of hypothecation of all movable and immovable fixed assets including current assets, both present and future, of the Company at Morbi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹ 120 Lakhs, ₹ 240 Lakhs, ₹ 240 Lakhs, ₹ 240 Lakhs, ₹ 240 Lakhs and ₹ 120 Lakhs in FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.  
11% Cumulative Redeemable Preference Shares issued on 06 June, 2023, shall be redeemed in 20 years from the date of issue or earlier, it can be redeemed in tranches in part or in full.  
Other Loans taken from related party of ₹ 850 Lakhs (Previous Year ₹ 2,251 Lakhs) at an interest rate of 11% p.a. (PY 9% p.a.) repayable in one or more tranches on or before 10 years from the date of the loan granted
- s The lenders have also taken shortfall undertaking from Somany Ceramics Limited and ER Ceramics private limited in the event of default by the Company to infuse equity/unsecured loan during the tenor of the facility. The Lenders have also taken additional comfort from Sudha Agro Oil and Chemical Industries Limited to cover any shortfall from ER Ceramics Limited in infusion of equity/unsecured loan during the tenor of the facility as mentioned above.
- t Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- u As per the bank loan sanction requirements unsecured loan has been brought in by the directors and/or Promoters of the Company. These amounts will be repaid once the loan is fully repaid or as may be mutually agreed between the Company and the bank.
- v Rate of interests are variable and linked with Some Benchmark rate such as Repo, EBLR, MCLR etc. ranging between 8.50% to 10.65% and few car loans which are at fixed interest rate ranging between 8% to 9% .

### 20. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Deposits	3,194.09	3,049.60
Security Deposits	19.50	17.50
	<b>3,213.59</b>	<b>3,067.10</b>

### 21. PROVISIONS (NON CURRENT)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Employees Benefits	1,101.08	1,044.99
	<b>1,101.08</b>	<b>1,044.99</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 22. DEFERRED TAX

#### A. Deferred tax Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred tax Assets	3,445.68	3,231.10
Less: Deferred tax Liabilities	2,638.70	2,394.64
	<b>806.98</b>	<b>836.46</b>

#### Movement in deferred tax balances

Particulars	As at 31 March, 2023	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2024
			Reversal due to change in tax rate	Others	At current tax rate		
<b>Deferred Tax Assets</b>							
Accrued expenses	14.41	-	-	(6.74)	1.67	0.31	9.65
MAT Credit Entitlement	78.34	-	-	-	30.24	-	108.58
Carry forward business losses including unabsorbed depreciation	3,137.42	-	-	-	494.22	-	3,631.64
Others	0.93	-	-	(416.73)	111.61	-	(304.19)
<b>Sub- Total (a)</b>	<b>3,231.10</b>	<b>-</b>	<b>-</b>	<b>(423.47)</b>	<b>637.74</b>	<b>0.31</b>	<b>3,445.68</b>
<b>Deferred Tax Liabilities</b>							
Property, plant and equipment & Intangible assets	2,394.64	-	-	(361.40)	605.46	-	2,638.70
<b>Sub- Total (b)</b>	<b>2,394.64</b>	<b>-</b>	<b>-</b>	<b>(361.40)</b>	<b>605.46</b>	<b>-</b>	<b>2,638.70</b>
<b>Net Deferred Tax Assets (a)-(b)</b>	<b>836.46</b>	<b>-</b>	<b>-</b>	<b>(62.07)</b>	<b>32.28</b>	<b>0.31</b>	<b>806.98</b>

Particulars	As at 31 March, 2022	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2023
			Reversal due to change in tax rate	Others	At current tax rate		
<b>Deferred Tax Assets</b>							
Accrued expenses	7.43	-	0.01	4.39	5.06	(2.48)	14.41
MAT Credit Entitlement	64.67	-	-	-	13.67	-	78.34
Carry forward business losses including unabsorbed depreciation	1,622.06	-	-	-	1,515.36	-	3,137.42
Others	(163.42)	-	(1.69)	164.23	1.81	-	0.93
<b>Sub- Total (a)</b>	<b>1,530.74</b>	<b>-</b>	<b>(1.68)</b>	<b>168.62</b>	<b>1,535.90</b>	<b>(2.48)</b>	<b>3,231.10</b>



## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 22. DEFERRED TAX (CONTD.)

Particulars	As at 31 March, 2022	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2023
			Reversal due to change in tax rate	Others	At current tax rate		
<b>Deferred Tax Liabilities</b>							
Property, plant and equipment & Intangible assets	1,125.57	-	(0.90)	279.09	990.88	-	2,394.64
<b>Sub- Total (b)</b>	<b>1,125.57</b>	<b>-</b>	<b>(0.90)</b>	<b>279.09</b>	<b>990.88</b>	<b>-</b>	<b>2,394.64</b>
<b>Net Deferred Tax Assets (a)-(b)</b>	<b>405.17</b>	<b>-</b>	<b>(0.78)</b>	<b>(110.47)</b>	<b>545.02</b>	<b>(2.48)</b>	<b>836.46</b>

#### B. Deferred tax Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred tax Liabilities	6,857.72	6,781.10
Less: Deferred tax assets	3,164.65	3,512.00
	<b>3,693.07</b>	<b>3,269.10</b>

Particulars	As at 31 March, 2023	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2024
			Reversal due to change in tax rate	Others	At current tax rate		
<b>Deferred Tax Assets</b>							
Accrued expenses	2,430.49	(0.79)	-	6.74	(234.28)	(14.60)	2,187.56
MAT Credit Entitlement	260.74	(6.97)	-	-	30.08	-	283.85
Carry forward business losses including unabsorbed depreciation	665.90	-	-	-	(507.34)	-	158.56
Others	154.86	(520.53)	-	416.73	483.62	-	534.68
<b>Sub- Total (a)</b>	<b>3,512.00</b>	<b>(528.29)</b>	<b>-</b>	<b>423.47</b>	<b>(227.92)</b>	<b>(14.60)</b>	<b>3,164.65</b>
<b>Deferred Tax Liabilities</b>							
Property, plant and equipment & Intangible assets	6,779.19	(526.70)	-	361.40	239.22	-	6,853.10
Others	1.90	-	-	-	2.71	-	4.62
<b>Sub- Total (b)</b>	<b>6,781.10</b>	<b>(526.70)</b>	<b>-</b>	<b>361.40</b>	<b>241.93</b>	<b>-</b>	<b>6,857.72</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>3,269.10</b>	<b>1.59</b>	<b>-</b>	<b>(62.07)</b>	<b>469.85</b>	<b>14.60</b>	<b>3,693.07</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 22. DEFERRED TAX (CONTD.)

Particulars	As at 31 March, 2022	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2023
			Reversal due to change in tax rate	Others	At current tax rate		
<b>Deferred Tax Assets</b>							
Accrued expenses	2,003.62	(0.80)	-	(4.39)	436.34	(4.27)	2,430.50
MAT Credit Entitlement	273.99	-	-	-	(13.25)	-	260.74
Carry forward business losses including unabsorbed depreciation	390.82	-	-	-	275.08	-	665.90
Others	381.55	(99.95)	-	(164.23)	37.49	-	154.86
<b>Sub- Total (a)</b>	<b>3,049.98</b>	<b>(100.75)</b>	<b>-</b>	<b>(168.62)</b>	<b>735.66</b>	<b>(4.27)</b>	<b>3,512.00</b>
<b>Deferred Tax Liabilities</b>							
Property, plant and equipment & Intangible assets	6,677.43	(186.01)	-	(279.09)	566.87	-	6,779.20
Others	7.26	-	-	-	(5.36)	-	1.90
<b>Sub- Total (b)</b>	<b>6,684.69</b>	<b>(186.01)</b>	<b>-</b>	<b>(279.09)</b>	<b>561.51</b>	<b>-</b>	<b>6,781.10</b>
<b>Net Deferred Tax Liability (b)-(a)</b>	<b>3,634.71</b>	<b>(85.26)</b>	<b>-</b>	<b>(110.47)</b>	<b>(174.15)</b>	<b>4.27</b>	<b>3,269.10</b>

The Group has recognized deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Group has MAT Credit Entitlement, unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier financial years. The Group has concluded that deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using estimated future taxable income based on approved business plans and budgets. The Group is expected to generate taxable income in near future. MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Group expects to recover the same in due course.

### C. Amounts recognized in Statement of profit and loss

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Current tax expense</b>		
Current year	3,905.50	3,207.18
Income tax for earlier year	(0.32)	105.30
	<b>3,905.18</b>	<b>3,312.48</b>
<b>Deferred Tax (Charge)/Credit</b>		
Origination and reversal of temporary differences	437.16	(718.39)
	<b>437.16</b>	<b>(718.39)</b>
<b>Total Tax Expense</b>	<b>4,342.34</b>	<b>2,594.09</b>

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 22. DEFERRED TAX (CONTD.)

### D. Amounts recognized in Other Comprehensive Income

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Current tax expense</b>		
Current year	(2.59)	25.47
	<b>(2.59)</b>	<b>25.47</b>
<b>Deferred Tax (Charge)/Credit</b>		
Remeasurements of defined benefit liability	(14.30)	(6.75)
	<b>(14.30)</b>	<b>(6.75)</b>
<b>Total</b>	<b>(16.89)</b>	<b>18.72</b>

### E. Reconciliation of Income Tax expense

	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
	Rate	Amount	Rate	Amount
Accounting Profit before tax		14,280.82		9,285.75
Tax using the Company's domestic tax rate	25.17%	3,594.20	25.17%	2,337.04
Tax effect of:				
Non-deductible expenses/{Exempted income (net)}		147.90		62.56
Lower tax rate on (gain)/loss on sale of investment		(39.19)		(0.04)
Changes in estimates related to prior years		(0.71)		92.28
Previously unrecognized deferred tax now recognized		(2.45)		-
Tax impact of capital gain arised on sale of investment		401.06		0.80
Effect of Tax paid at Higher Rate		97.58		50.82
Others		143.95		50.63
<b>At the Effective Income Tax Rate</b>		<b>4,342.34</b>		<b>2,594.09</b>

#### Note:

The Holding company and Six (6) subsidiary companies had exercised the option permitted under section 115BAA of the Income Tax Act, 1961 in earlier years.

Two (2) subsidiary companies had exercised the option permitted under section 115BAB of the Income Tax Act, 1961 in the earlier years.

Eight (8) Subsidiary companies have not exercised these options and continue to recognize the taxes on income for year ended 31 March, 2024 as per the normal tax rate at which management expect to recover or settle the deferred tax at this reporting date. Further these subsidiary companies are having unabsorbed depreciation and unutilized MAT Credit and Business Losses accumulation as on the reporting date. As per the projections, the management of subsidiary companies expects to utilize the MAT Credit and Business losses within the prescribed period and will review the above position at each year end.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 23. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Security Deposits	967.82	758.05
Less: Current Maturities	99.06	155.08
	<b>868.76</b>	<b>602.97</b>

### 24. BORROWINGS

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Secured Loans:</b>		
<b>Working Capital Facilities from Banks*</b>		
Working Capital Demand Loans	2,300.00	1,300.00
Cash Credit	8,389.01	9,416.42
Current Maturities of Long term Borrowings (Refer note no. 19)	4,255.00	4,238.57
<b>Unsecured Loans:</b>		
- Discounting of Bills Payable	-	15,370.84
	<b>14,944.01</b>	<b>30,325.83</b>

**\*Working Capital Facilities from Banks are secured by:**

- First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of current assets, all movable fixed assets ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created. (iii) in case of few subsidiaries also guaranteed by their directors.
- Rate of interests are variable and linked with Some Benchmark rate such as Repo, EBLR, MCLR etc. ranging between 9.55% to 9.70%.

### 25. TRADE PAYABLES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Outstanding dues of Micro Enterprises and Small Enterprises	6,992.86	4,273.24
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises\$	48,933.75	33,490.44
	<b>55,926.61</b>	<b>37,763.68</b>

- For details of payables to related parties, Refer note no. 43, Related Party Transactions.
- Refer note no. 50 (B) - Trade Payables ageing.
- \$ Includes liability towards paying agent arrangement of ₹ 27,274.52 Lakhs (Previous year ₹ 5,913.89 Lakhs).

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 26. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest Accrued	162.35	214.89
Capital Creditors*	351.96	306.99
Unclaimed Dividends	31.98	34.67
Employees related payable <sup>§</sup>	2,789.25	2,082.82
Others <sup>#</sup>	112.95	124.93
	<b>3,448.49</b>	<b>2,764.30</b>

\*Includes Outstanding dues of Micro Enterprises and Small Enterprises of ₹ 31.40 Lakhs (Previous year ₹ 59.43 Lakhs)

<sup>#</sup>Includes security deposits received, commission payables etc.

<sup>§</sup> For details of payables to related parties, Refer note no. 43, Related Party Transactions.

### 27. OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory Dues	3,173.91	3,012.40
Security Deposits - current maturities of Other Non Current Liabilities	102.91	158.93
Advance from Customers	647.09	1,029.49
Sales Incentive	3,021.86	3,271.94
Liability under Defalcation Suit (Refer note no. 57)	665.42	665.78
Others <sup>#</sup>	973.01	1,063.87
	<b>8,584.20</b>	<b>9,202.41</b>

<sup>#</sup> Includes claim payables etc.

### 28. PROVISIONS (CURRENT)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Employee Benefits	478.56	519.90
	<b>478.56</b>	<b>519.90</b>

### 29. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Income Tax [Net of Advance income tax of ₹ 20.76 Lakhs, (Previous year ₹ 22.40 Lakhs)]	17.03	0.26
	<b>17.03</b>	<b>0.26</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 30. REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Sales of Goods	2,59,049.36	2,46,511.72
Less: Capitalized/ Transferred to CWIP	1,317.02	47.51
	<b>2,57,732.34</b>	<b>2,46,464.21</b>
<b>Other Operating Revenue</b>		
Export incentives	144.03	109.00
Scrap Sales	819.54	352.16
Sundry Balances Written Back	251.84	88.07
Insurance Claims and Other Incomes	173.25	811.87
Income From Services	14.45	32.84
	<b>1,403.11</b>	<b>1,393.94</b>
Less: Capitalized/ Transferred to CWIP	-	7.42
	<b>1,403.11</b>	<b>1,386.52</b>
	<b>2,59,135.45</b>	<b>2,47,850.73</b>

a) Unsatisfied performance obligation (contract liabilities) Refer note no. 27.

b) Reconciliation of contract price vis a vis revenue recognized in the statement of profit and loss is as follows:

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
<b>Contract Price</b>				
(i) Sales of goods				
Tiles	2,33,231.28		2,26,700.09	
Others	34,190.65	2,67,421.93	29,086.78	2,55,786.87
(ii) Sales of services		14.45		32.84
(ii) other operating revenue		1,388.66		1,361.10
<b>Adjustments:</b>				
Discount/rebate/ Sales incentives		(9,689.59)		(9,330.08)
<b>Revenue recognized in statement of profit and loss</b>		<b>2,59,135.45</b>		<b>2,47,850.73</b>

c) The above revenues have been recognized at point of time.

d) Payment terms with customers generally ranges between 0 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.

e) Sale of the products and services within India ₹ 2,48,236.96 Lakhs (Previous Year ₹2,37,089.23 Lakhs) and outside India ₹9,495.38 Lakhs (Previous Year ₹ 9,374.98 Lakhs) and are mainly through intermediaries.

f) For contract assets and balances refer note no. 10.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 31. OTHER INCOME

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
Interest Income		736.92		738.26
Dividend Income		0.01		0.01
<b>Other non-operating revenue:</b>				
Net Profit on Sale of Property, Plant and Equipment		101.97		255.73
Profit on Sale of Current Investments measured at FVTPL	217.06		191.46	
Less:- Reversal of Fair Value of Current Investments measured at FVTPL	165.01	52.05	169.54	21.92
Net Gain on Fair Value of Current Investments measured at FVTPL		11.21		89.25
Net Gain on Foreign Currency Translations and Transactions		54.15		83.19
Deferred Income (Amortization of Government Grant)		-		102.39
Miscellaneous Income		132.16		177.45
		<b>1,088.47</b>		<b>1,468.20</b>
Less: Capitalized/ Transferred to CWIP		<b>26.98</b>		<b>13.93</b>
		<b>1,061.49</b>		<b>1,454.27</b>

### 32. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Raw Materials Consumed	46,457.69	54,337.44
Packing Materials Consumed	10,487.68	9,883.05
	<b>56,945.37</b>	<b>64,220.49</b>
Less: Capitalized/ Transferred to CWIP	2,668.34	456.97
	<b>54,277.03</b>	<b>63,763.52</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 33. CHANGE IN INVENTORIES OF FINISHED GOODS , WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>Opening Stock</b>		
Finished Goods*#	23,789.18	13,296.62
Stock-in-Trade	5,751.12	4,316.70
<b>Total Finished Goods</b>	<b>29,540.30</b>	<b>17,613.32</b>
Work-in-Progress#	2,593.31	2,073.90
	<b>32,133.61</b>	<b>19,687.22</b>
<b>Less : Closing Stock</b>		
Finished Goods <sup>§</sup>	19,579.12	22,691.88
Stock-in-Trade	4,364.74	5,751.12
<b>Total Finished Goods</b>	<b>23,943.86</b>	<b>28,443.00</b>
Work-in-Progress <sup>§</sup>	2,581.52	2,311.75
	<b>26,525.38</b>	<b>30,754.75</b>
<b>(Increase)/ Decrease in Stock</b>	<b>5,608.23</b>	<b>(11,067.53)</b>

\* In Previous year Opening Finished Goods, includes ₹ 214.28 Lakhs transferred on commissioning of New product line on April 21, 2022 by the Company.

# includes transfer on commissioning of new product line during the year by a subsidiary of ₹ 2,140.65 Lakhs on 29 January, 2024 (Previous year ₹ 558.95 Lakhs).

<sup>§</sup> Current Year includes ₹ 56.15 Lakhs in Finished goods, balance as on 30 June, 2023, w.r.t subsidiary divested during the year w.e.f 01 July, 2023 refer note no. 56.

<sup>§</sup> Previous year includes ₹ 733.09 Lakhs in Finished goods and ₹ 28.70 Lakhs in Work-in-Progress, balance as on 30 June, 2022, w.r.t subsidiary divested during the year w.e.f 01 July, 2022, which is excluded in the opening inventory of current year, refer note no. 56.

### 34. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salary, Wages, Bonus etc.*	30,881.62	28,300.57
Contribution towards Provident Fund and Gratuity Fund	1,137.43	1,241.59
Staff Welfare expenses	899.16	718.10
	<b>32,918.21</b>	<b>30,260.26</b>
Less: Capitalized/ Transferred to CWIP	480.93	145.12
	<b>32,437.28</b>	<b>30,115.14</b>

\* includes ₹ 428.28 Lakhs (Previous Year ₹ 259.15 Lakhs) towards share based payments refer note no. 47.



# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 35. FINANCE COSTS

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest	4,409.59	3,611.05
Interest expense on lease liabilities	363.40	378.22
Other Borrowing Costs	617.49	507.23
	<b>5,390.48</b>	<b>4,496.50</b>
Less: Capitalized/ Transferred to CWIP	744.91	460.51
	<b>4,645.57</b>	<b>4,035.99</b>

## 36. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Depreciation and Amortization	7,251.22	6,788.68
Less: Capitalized/ Transferred to CWIP	-	3.43
	<b>7,251.22</b>	<b>6,785.25</b>

## 37. OTHER EXPENSES

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
Stores and Spare Parts Consumed		7,820.02		7,601.67
Power & Fuel		53,803.82		65,323.05
Repairs and Maintenance:				
Buildings		174.56		170.66
Plant & Machinery		916.08		885.15
Others		151.59		148.07
Rent		273.58		156.00
Rates & Taxes		191.42		288.40
Insurance		1,261.70		1,004.19
Travelling and Conveyance		2,964.26		2,505.61
Freight Outward and Handling Charges		4,123.78		3,688.55
Advertisement & Sales Promotion		5,929.58		5,426.47
Commission to Agents		668.04		815.73
CSR Expenses		225.68		148.00
Provision for credit losses/ doubtful advances		214.76		482.20
Bad Debts	125.11		124.92	
Less: Provision for Credit Losses	121.98	3.13	117.76	7.16
Sundry Balances Written Off		0.09		17.97
Property, Plant and Equipments Discard /Written Off		114.40		23.80

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 37. OTHER EXPENSES (CONTD.)

Particulars	For the year ended 31 March, 2024		For the year ended 31 March, 2023	
Other Expenses		4,632.10		3,992.20
		83,468.59		92,684.88
Less: Capitalized/ Transferred to CWIP		1,885.23		763.73
		<b>81,583.36</b>		<b>91,921.15</b>

### 38. EARNING PER SHARE (EPS)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Profit for the year (a)	9,688.94	7,149.16
<b>Weighted average number of equity shares for calculation of EPS</b>		
Weighted average number of equity shares for basic EPS (b)	4,21,20,624	4,24,74,208
Effect of potential Ordinary shares on Employee Stock Options outstanding (c)	43,571	-
Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	<b>4,21,64,195</b>	<b>4,24,74,208</b>
EPS - Basic (Per share in ₹)	23.00	16.83
EPS - Diluted (Per share in ₹)	22.98	16.83

During the previous year Shares to be issued against the options granted under ESOP Scheme have been ignored for calculating diluted earning per share as per IND-AS-33 "Earning Per Share" as the average exercise price is higher as compared to average market price of shares.

### 39. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

#### A. Contingent liabilities (not provided for) in respect of:

Particulars	As at 31 March, 2024	As at 31 March, 2023
1. Claim and other demands against the Group not acknowledged as debts.#	438.34	302.98
2. Sales Tax demands against which the Group has preferred appeals.	27.77	27.77
3. Goods and Service Tax (excluding interest and penalty), Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	338.64	333.36
4. Income tax demand disputed by the Group which excludes penalty, if any, as same can not be measured at this stage.	144.14	130.41
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Group.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Group.	15.41	15.41

# Company has some subjudice labour dispute matters impact of which cannot be ascertained at this stage.

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Group has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 39. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS (CONTD.)

where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.

### B. Others

- (i) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on 31 March, 2024, The Group is contingently liable to pay differential custom duty of ₹ 155.88 Lakhs (Previous year - ₹ 155.88 Lakhs) on such procurement.
- (ii) In light of judgment of Hon'ble Supreme Court dated 28 February, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

### C. Commitments

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	361.05	6,881.45

## 40. FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AT THE YEAR-END:

		31 March, 2024		31 March, 2023	
		Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)
<b>Open Exposures</b>					
Receivables	USD	8.51	706.87	3.44	280.98
Receivables	CNY	-	-	0.01	0.05
Receivables	NPR	18.13	11.33	41.47	25.92
Payables	USD	0.43	35.52	0.58	47.71
Payables	CNY	0.06	0.73	0.35	4.19
Payables	EURO	0.03	3.07	0.15	13.28
Payables	NPR	5.66	3.54	0.90	0.57

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 41. DETAILS OF INVESTMENT MADE, LOAN AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

#### a) Loan given for business purposes

Name	Terms of repayments	For the year ended		Outstanding as at	
		31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Creanza Tiles Private Limited (Formerly Amora Ceramics Private Limited)	After one year	-	-	-	260.10
Salix Ceramic Pvt. Ltd.	Within one year	-	200.00	-	80.00

The above unsecured loans carries interest rate is at Nil (Previous Year 9.00% to 12.00%)

#### b) Details of investments made is given in Note No. 9.

### 42. EMPLOYEE BENEFITS

The Group contributes to the following post-employment defined benefit plans in India.

#### (i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31 March, 2024	31 March, 2023
Contribution to Provident Funds	843.62	758.39

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 34) of the Statement of Profit and Loss.

#### (ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 42. EMPLOYEE BENEFITS (CONTD.)

### A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	31 March, 2024			31 March, 2023		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	2,595.59	2,124.80	470.79	2,081.69	1,981.56	100.13
<b>Included in profit &amp; loss</b>						
Current service cost	230.92	-	230.92	210.53	-	210.53
Interest cost / (income)	191.67	(156.81)	34.86	150.11	(143.07)	7.04
Other Adjustment-Divestment of subsidiary	(2.63)	-	(2.63)	(2.78)	-	(2.78)
Past Service Cost including curtailment Gains/Losses	45.74	-	45.74	295.53	-	295.53
	<b>465.70</b>	<b>(156.81)</b>	<b>308.89</b>	<b>653.39</b>	<b>(143.07)</b>	<b>510.32</b>
<b>Included in OCI</b>						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- financial assumptions	33.06	-	33.06	(31.99)	-	(31.99)
- experience adjustment	43.51	-	43.51	58.18	-	58.18
- on plan assets	(8.68)	(125.04)	(133.72)	-	49.83	49.83
	<b>67.89</b>	<b>(125.04)</b>	<b>(57.15)</b>	<b>26.19</b>	<b>49.83</b>	<b>76.02</b>
<b>Other</b>						
Contributions paid by the employer	-	100.00	(100.00)	-	50.00	(50.00)
Benefits paid	(240.00)	-	(240.00)	(165.68)	-	(165.68)
	<b>(240.00)</b>	<b>100.00</b>	<b>(340.00)</b>	<b>(165.68)</b>	<b>50.00</b>	<b>(215.68)</b>
<b>Closing Balance</b>	<b>2,889.18</b>	<b>2,506.65</b>	<b>382.53</b>	<b>2,595.59</b>	<b>2,124.80</b>	<b>470.79</b>

### B. Plan assets

Particulars	31 March, 2024	31 March, 2023
Fund managed by insurer	100%	100%
	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. EMPLOYEE BENEFITS (CONTD.)

#### C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

##### (i) Economic Assumptions

	31 March, 2024	31 March, 2023
Discount rate	7.09%-7.23%	7.36%-7.38%
Expected rate of future salary increase	3.50%-5.00%	3.50%-5.00%

##### (ii) Demographic Assumption

Attrition rates are the Company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the Company, business plan, HR Policy etc as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the Company.

Economic Assumptions	31 March, 2024	31 March, 2023
Retirement Age (Years)	58	58
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
<b>Attrition at Ages</b>	<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to contribute ₹ 259.58 Lakhs (Previous Year ₹ 243.86 Lakhs) towards plan assets in the next year.

#### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March, 2024		31 March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(110.92)	118.84	(107.04)	110.29
Expected rate of future salary increase (0.5% movement)	112.17	(105.71)	91.27	(90.31)

Sensitivities due to mortality & withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 42. EMPLOYEE BENEFITS (CONTD.)

#### E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow :-

- A) **Salary Increases** - Higher than expected increase in salary will increase the defined benefit obligation.
- B) **Investment Risk** - Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- C) **Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability** - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

#### F. Maturity Profile of Defined Benefit Obligation

Year	31 March, 2024	31 March, 2023
Within 1 year	294.01	235.13
From 1 year to 2 Year	127.49	138.63
From 2 year to 3 Year	123.88	107.19
From 3 year to 4 Year	145.87	103.97
From 4 year to 5 Year	134.28	144.31
From 5 year to 6 Year	591.21	108.92
6 Year onwards	1,472.45	1,754.07
<b>Total</b>	<b>2,889.18</b>	<b>2,592.21</b>

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 43. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES"

### A. Related parties and their relationships as per Ind AS 24

#### i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director (CMD)
Mr. Abhishek Somany	Managing Director till 09 August, 2022 and Managing Director & CEO w.e.f 10 August, 2022
Mr. Amit Sahai <sup>^</sup>	CEO - Tiles Business w.e.f May 23,2023
Mr. Sailesh Raj Kedawat <sup>^</sup>	Chief Financial Officer (CFO) (w.e.f. 10 November, 2022)
Mr. Saikat Mukhopadhyay <sup>^</sup>	Chief Financial Officer (CFO) (till 31 May, 2022)
Mrs. Anjana Somany	Wife of Mr. Shreekant Somany
Mr. Ambrish Julka <sup>^</sup>	Sr. GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Mr. Abhishek Somany
Mr. Shrivatsa Somany	Son of Mr. Shreekant Somany
Mr. Ameya Somany	Son of Mr. Abhishek Somany
Mr. G.G. Trivedi <sup>#</sup>	Non - Executive Director
Mr. Siddharath Bindra <sup>*</sup>	Non - Executive Director
Mr. Ravinder Nath <sup>*</sup>	Non - Executive Director
Mr. Salil Singhal <sup>*</sup>	Non - Executive Director
Mr. Rameshwar Singh Thakur <sup>*</sup>	Non - Executive Director
Mrs. Rumjhum Chatterjee <sup>*</sup>	Non - Executive Director
Mr. Vineet Agarwal <sup>*</sup>	Non - Executive Director

<sup>^</sup> KMP under the Companies Act, 2013.

<sup>#</sup> Non Independent Directors

<sup>\*</sup> Independent Directors

#### ii. Associate Company

Clean Max Ananta Pvt. Ltd. (w.e.f. 7 March, 2024)

#### iii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

#### iv. Employees Trusts

Somany Employees Gratuity Fund (Formerly known as SPL Employees Gratuity Fund)



# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 43. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES (CONTD.)

### v. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Pvt. Ltd.	Private company in which a director is director
Vidres India Ceramics Pvt. Ltd.	Private company in which a director is director
Transport Corporation of India Ltd.	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI Express Ltd.	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI-Concor Multimodal Solutions Pvt. Ltd.	Private company in which a director is director

### B. Transactions with the above in the ordinary course of business

Nature of Transactions	For the year ended	
	31 March, 2024	31 March, 2023
<b>a) Payments to Key Managerial Personnel and their relatives</b>		
<b>Mr. Shreekant Somany</b>		
- Remuneration	300.19	299.53
- Commission	410.30	100.00
Outstanding at the year-end:		
- Commission Payable	410.30	100.00
<b>Mr. Abhishek Somany</b>		
- Remuneration	504.24	470.93
- Commission	206.25	140.78
- Rent Paid	1.94	11.39
Outstanding at the year-end:		
- Commission Payable	206.25	140.78
<b>Mrs. Anjana Somany</b>		
- Remuneration	29.28	29.10
- Rent Paid	3.92	3.86
<b>Mrs. Minal Somany</b>		
- Remuneration	42.27	31.36
- Rent Paid	7.66	17.00
<b>Mr. Shrivatsa Somany</b>		
- Remuneration	39.46	20.92
<b>Mr. Ameya Somany</b>		
- Remuneration	10.66	15.89

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 43. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2024	31 March, 2023
<b>Mr. Amit Sahai</b>		
- Remuneration	270.24	
<b>Mr. Sailesh Raj Kedawat</b>		
- Remuneration	120.45	53.73
<b>Mr. Saikat Mukhopadhyay</b>		
- Remuneration		41.05
<b>Mr. Amrish Julka</b>		
- Remuneration	38.47	36.71
<b>b) Non- Executive/Independent Directors</b>		
<b>Mr. G.G. Trivedi</b>		
- Reimbursement of Expenses	-	0.12
- Commission	3.00	2.00
- Sitting Fees	1.35	1.35
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Mr. Siddharath Bindra</b>		
- Commission	3.00	2.00
- Sitting Fees	0.65	0.75
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
- Sitting Fees Payable	-	0.05
<b>Mr. Ravinder Nath</b>		
- Commission	3.00	2.00
- Sitting Fees	0.55	0.45
Outstanding at the year-end:		
-Commission Payable	3.00	2.00
<b>Mr. Salil Singhal</b>		
- Commission	3.00	2.00
- Sitting Fees	0.65	0.75
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
- Sitting Fees Payable	-	0.05
<b>Mr. Rameshwar Singh Thakur</b>		
- Commission	3.00	2.00

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 43. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2024	31 March, 2023
- Sitting Fees	1.45	1.30
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Mrs. Rumjhum Chatterjee</b>		
- Commission	3.00	2.00
- Sitting Fees	0.75	0.60
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
-Sitting Fees Payable	-	0.30
<b>Mr. Vineet Agarwal</b>		
- Commission	3.00	2.00
- Sitting Fees	0.85	0.60
Outstanding at the year-end:		
- Commission Payable	3.00	2.00
<b>Summary of payment made to KMP#</b>		
Short term employee benefits*	1,877.39	1,162.53
Other Payments	1.94	11.51
* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.		
# The Company has granted 29,940 (previous year-29,216) options to KMPs out of which Nil (previous year-22,678) options has been lapsed during the year, value of which shall be disclosed at the time of exercise of options.		
<b>c) With Associate Company are as under:-</b>		
<b>Clean Max Ananta Pvt. Ltd. (w.e.f March 7, 2024)</b>		
- Investment in Equity shares	0.49	
<b>d) With Employees Trusts are as under:-</b>		
<b>Somany Employees Gratuity Fund (Formerly known as SPL Employees Gratuity Fund)</b>		
- Contribution made	340.00	215.45
<b>e) With Other Related Parties are as under:-</b>		
<b>H. L. Somany Foundation</b>		
-Contribution towards CSR Activities	225.68	148.00
-Rent Received	0.24	0.24
<b>Trans India Ceramics Pvt. Ltd.</b>		
-Purchase of goods	160.55	76.08
- Services received	16.68	18.69

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 43. RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2024	31 March, 2023
Outstanding at the year-end:		
-Trade Payable	73.99	-
<b>Vidres India Ceramics Pvt. Ltd.</b>		
-Purchase of goods	5,716.78	6,724.80
-Sale of goods	0.03	3.02
-Rent Paid	0.24	-
Outstanding at the year-end:		
-Trade Payable	1,283.60	1,799.81
<b>Transport Corporation of India Ltd.</b>		
-Services received	66.04	75.02
Outstanding at the year-end:		
-Trade Payable	4.70	4.39
<b>TCI Express Ltd.</b>		
-Services received	32.97	48.72
Outstanding at the year-end:		
-Trade Payable	7.80	10.69
<b>TCI-Concor Multimodal Solutions Pvt. Ltd.</b>		
-Services received	4.58	-
Outstanding at the year-end:		
-Trade Payable	1.36	-

Also refer Note No. 39(C) (iii).

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### I Fair value measurements

#### A. Financial instruments by category

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial Assets</b>				
Investments				
Non Current	-	0.49	-	-
Current	1,456.82	-	3,185.03	-
Loans				
Non Current	-	-	-	260.10
Current	-	-	-	80.00
Trade receivables	-	33,722.20	-	26,831.38
Cash and cash equivalents	-	5,919.83	-	14,607.52
Bank balances other than above	-	1,169.84	-	846.66
Others				
Non Current	-	1,715.12	-	1,785.56
Current	-	473.44	-	126.79
	<b>1,456.82</b>	<b>43,000.92</b>	<b>3,185.03</b>	<b>44,538.01</b>
<b>Financial Liabilities</b>				
Borrowings				
Non Current	-	18,566.82	-	18,511.02
Current	-	14,944.01	-	30,325.83
Lease Liability				
Non Current	-	3,412.71	-	3,778.44
Current	-	828.28	-	807.35
Other Financial Liabilities				
Non-current	-	3,213.59	-	3,067.10
Current	-	3,448.49	-	2,764.30
Trade payables	-	55,926.61	-	37,763.68
	-	<b>1,00,340.51</b>	-	<b>97,017.72</b>

#### B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognized and measured at fair value and
- measured at amortized cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Current	1,304.93	151.89	-	1,456.82
<b>Total financial assets</b>	<b>1,304.93</b>	<b>151.89</b>	<b>-</b>	<b>1,456.82</b>

Particulars	As at 31 March, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Investments				
Current	1,344.51	1,840.52	-	3,185.03
<b>Total financial assets</b>	<b>1,344.51</b>	<b>1,840.52</b>	<b>-</b>	<b>3,185.03</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### C. Financial assets and liabilities measured at amortized cost

	Level	As at 31 March, 2024		As at 31 March, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Non-Current Investment	3	0.49	0.49	-	-
Loans					
Non Current	3	-	-	260.10	260.10
Current	3	-	-	80.00	80.00
Trade receivables - current	3	33,722.20	33,722.20	26,831.38	26,831.38
Cash and cash equivalents	3	5,919.83	5,919.83	14,607.52	14,607.52
Bank balances other than above	3	1,169.84	1,169.84	846.66	846.66
Others					
Non Current	3	1,715.12	1,600.62	1,785.56	1,664.49
Current	3	473.44	473.44	126.79	126.79
		<b>43,000.92</b>	<b>42,886.42</b>	<b>44,538.01</b>	<b>44,416.94</b>
<b>Financial liabilities</b>					
Borrowings					
Non Current	3	18,566.82	18,566.82	18,511.02	18,511.02
Current	3	14,944.01	14,944.01	30,325.83	30,325.83
Lease Liability					
Non Current	3	3,412.71	3,412.71	3,778.44	3,778.44
Current	3	828.28	828.28	807.35	807.35
Other financial liabilities					
Non-current	3	3,213.59	3,213.59	3,067.10	3,067.10
Current	3	3,448.49	3,448.49	2,764.30	2,764.30
Trade payables - current	3	55,926.61	55,926.61	37,763.68	37,763.68
		<b>1,00,340.51</b>	<b>1,00,340.51</b>	<b>97,017.72</b>	<b>97,017.72</b>

The fair value of Current financial assets and liabilities carried at amortized cost is considered equal to the carrying amounts of these items due to their short- term nature. The fair value of items that are Non-current in nature, has been determined using discounted cash flow basis.

## II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyze the risks faced by the Group, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Group's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### ii. Credit risk

Financial loss to the Group, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk closely both in domestic and export market.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Group's review includes market check, industry feedback, past Financial and external ratings, if they are available, and in some cases bank reference checks are also done.

The Group creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.



# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
<b>As at 31 March, 2024</b>							
Gross Carrying amount	25,632.19	7,689.12	179.91	75.63	31.02	2,444.67	36,052.54
Specific Provision	-	(0.06)	(13.72)	(41.84)	(18.53)	(2,210.59)	(2,284.74)
Expected credit losses	(25.12)	(6.74)	(8.11)	(4.13)	(1.50)	-	(45.60)
Expected loss rate	0.10%	0.09%	4.51%	5.46%	4.84%	0.00%	0.13%
<b>Carrying amount</b>	<b>25,607.07</b>	<b>7,682.32</b>	<b>158.08</b>	<b>29.66</b>	<b>10.99</b>	<b>234.08</b>	<b>33,722.20</b>

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
<b>As at 31 March, 2023</b>							
Gross Carrying amount	20,441.09	5,464.12	258.44	49.40	164.47	2,711.70	29,089.22
Specific Provision	-	(7.21)	(3.50)	(22.76)	(107.78)	(2,065.59)	(2,206.84)
Expected credit losses	(32.57)	(8.70)	(6.05)	(2.26)	(1.42)	-	(51.00)
Expected loss rate	0.16%	0.16%	2.34%	4.57%	0.86%	0.00%	0.18%
<b>Carrying amount</b>	<b>20,408.52</b>	<b>5,448.21</b>	<b>248.89</b>	<b>24.38</b>	<b>55.27</b>	<b>646.11</b>	<b>26,831.38</b>

### Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	31 March, 2024	31 March, 2023
Opening balance	2,257.84	1,931.39
Changes in loss allowance	72.50	326.45
<b>Closing balance</b>	<b>2,330.34</b>	<b>2,257.84</b>

### Investments and Cash Deposits

Cash Deposits Credit risk from balances with banks is managed by the Company's finance department.

Group invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default other than as disclosed.

### iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

#### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31 March, 2024	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
<b>Financial liabilities</b>					
Non Current borrowings*	22,821.82	-	4,255.00	18,566.82	-
Lease Liability	4,240.99	-	1,165.13	3,354.85	833.55
Other non-current financial liabilities	3,213.59	-	-	-	3,213.59
Current Borrowings	10,689.01	4,730.85	5,958.16	-	-
Trade payables	55,926.61	-	55,926.61	-	-
Other current financial liabilities	3,448.49	-	3,448.49	-	-
<b>Total financial liabilities</b>	<b>1,00,340.51</b>	<b>4,730.85</b>	<b>70,753.39</b>	<b>21,921.67</b>	<b>4,047.14</b>

Particulars	Carrying Amount 31 March, 2023	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
<b>Financial liabilities</b>					
Non Current borrowings*	22,749.59	-	4,238.57	14,196.98	4,314.04
Lease Liability	4,585.79	-	1,176.66	3,453.21	1,321.48
Other non-current financial liabilities	3,067.10	-	-	-	3,067.10
Current Borrowings	26,087.26	5,212.62	20,874.64	-	-
Trade payables	37,763.68	-	37,763.68	-	-
Other current financial liabilities	2,764.30	-	2,764.30	-	-
<b>Total financial liabilities</b>	<b>97,017.72</b>	<b>5,212.62</b>	<b>66,817.85</b>	<b>17,650.19</b>	<b>8,702.62</b>

\* Including current maturity of non current borrowings.

#### iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO, CNY, AUD & NPR. The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has no significant currency exposure.

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs)

	As at 31 March, 2024				As at 31 March, 2023			
	USD	CNY	EUR	NPR	USD	CNY	EUR	NPR
Receivables (A)	8.51	-	-	18.13	3.44	0.01	-	41.47
Payables (B)	0.43	0.06	0.03	5.66	0.58	0.35	0.15	0.90
<b>Net statement of financial position exposure (B-A)</b>	<b>(8.08)</b>	<b>0.06</b>	<b>0.03</b>	<b>(12.47)</b>	<b>(2.86)</b>	<b>0.34</b>	<b>0.15</b>	<b>(40.57)</b>

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
USD 1	82.44	78.59	83.09	81.79
CNY 1	11.79	11.96	11.64	11.96
EUR 1	90.58	87.82	90.80	90.35
NPR 1	0.63	0.63	0.63	0.63

#### Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March, 2024</b>				
USD (10% movement)	67.14	(67.14)	50.24	(50.24)
CNY (10% movement)	(0.07)	0.07	(0.05)	0.05
EUR (10% movement)	(0.27)	0.27	(0.20)	0.20
NPR (10% movement)	(0.78)	0.78	(0.58)	0.58

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March, 2023</b>				
USD (10% movement)	23.39	(23.39)	17.50	(17.50)
CNY (10% movement)	(0.41)	0.41	(0.30)	0.30
EUR (10% movement)	(1.36)	1.36	(1.01)	1.01
NPR (10% movement)	(2.54)	2.54	(1.90)	1.90

#### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March, 2024 and 31 March, 2023, the Group's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any derivative instruments to hedge the interest rate risk.

#### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	Nominal Amount	
	31 March, 2024	31 March, 2023
<b>Fixed-rate instruments</b>		
Borrowings	3,094.93	2,965.80
	<b>3,094.93</b>	<b>2,965.80</b>
<b>Variable-rate instruments</b>		
Borrowings*	30,415.90	30,500.21
	<b>30,415.90</b>	<b>30,500.21</b>

\*excluding bills discounting on which the Company has no interest exposure.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>31 March, 2024</b>				
Variable-rate instruments	(152.08)	152.08	(113.80)	113.80
<b>Cash flow sensitivity</b>	<b>(152.08)</b>	<b>152.08</b>	<b>(113.80)</b>	<b>113.80</b>
<b>31 March, 2023</b>				
Variable-rate instruments	(152.50)	152.50	(114.12)	114.12
<b>Cash flow sensitivity</b>	<b>(152.50)</b>	<b>152.50</b>	<b>(114.12)</b>	<b>114.12</b>

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## 45. CAPITAL-WORK-IN PROGRESS (CWIP) AGEING SCHEDULE AS ON 31 MARCH, 2024

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	959.58	-	-	-	959.58
<b>Total</b>	<b>959.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>959.58</b>

### Capital-Work-in Progress (CWIP) Ageing Schedule as on 31 March, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,725.59	-	-	-	4,725.59
<b>Total</b>	<b>4,725.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,725.59</b>

There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the projects under capital works in progress as on 31 March, 2024 and 31 March, 2023.

## 46. EXCEPTIONAL ITEM

- (i) The Company, in the earlier years, had impaired its investment of ₹ 1,844.73 Lakhs in NCDs, issued by SREI Equipment Finance Limited. During the year, Hon'ble NCLT Kolkata approved resolution plan under Insolvency & Bankruptcy Code, 2016. In terms of the Approved Resolution Plan, the implementation notice was issued by National Asset Reconstruction Company Limited ("NARCL") and Implementation and Monitoring Committee ("IMC") authorized the administrator for commencement of the distribution against claims with the record date set as at October 06, 2023. During the year, the Company has recognized Gain of ₹ 456.45 Lakhs as exceptional item on recovery of ₹ 129.31 lakhs in cash and allotment of Security Receipts (SRs)/ Optionally Convertible Debentures (OCDs), to trustees on behalf of the Company, for the value of ₹ 461.13 Lakhs (recognized at an estimated fair value of ₹ 327.12 Lakhs) in terms of the Approved Resolution Plan. Pending ascertainment of the issue terms and conditions of the SRs/ OCDs the same has been disclosed under the head "Other Financial Assets".
- (ii) The Parent Company has divested its investment in one of its subsidiary "Somany Fine Vitrified Private Limited", w.e.f 01 July, 2023 through an agreement, dated in 26 August, 2023, with the existing shareholders of the subsidiary resulting loss on divestment ₹ 661.51 Lakhs during the year ended 31 March, 2024.

## 47. SHARE BASED PAYMENTS

### a) Scheme Details

Nomination and Remuneration Committee (NRC) and Board of Directors at its respective meetings held on 10 December, 2021 and 23 May, 2023, approved an issue of stock options aggregating 4,23,794 and 12,74,226 equity shares of the face value of ₹ 2 each, up to a maximum of 1% and 3% of the then issued equity capital of the Company respectively. The shareholders of the Company vide their special resolution passed through postal ballot on 07 April, 2022 and passed at its 55th Annual General Meeting (AGM) held on 25 August, 2023 approved the issue of equity shares of the Company under Somany Ceramics Employee Stock Option Plan 2021 and Somany Ceramics Employee Stock Option Plan 2023 respectively.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 47. SHARE BASED PAYMENTS (CONTD.)

Details of options granted by NRC under the said scheme are as follows:

Particulars	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
No. of Options Granted	3,50,102	1,01,107	93,411	33,165	10,000
Grant Date	29 April, 2022	07 February, 2023	08 November, 2023	08 November, 2023	08 November, 2023
Vesting Schedule	<p><b>The vesting period for conversion of Options for ESOP 2021 Grant 1, Grant 2 and ESOP 2023 Grant 1:</b></p> <ul style="list-style-type: none"> <li>• On completion of 24 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 36 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 48 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 60 months from the date of grant of the Options: 25% vests</li> </ul> <p><b>The vesting period for conversion of Options for ESOP 2023 Grant 2:</b></p> <ul style="list-style-type: none"> <li>• On completion of 12 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 24 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 36 months from the date of grant of the Options: 25% vests</li> <li>• On completion of 48 months from the date of grant of the Options: 25% vests</li> </ul> <p><b>The vesting period for conversion of Options for ESOP 2023 Grant 3:</b></p> <ul style="list-style-type: none"> <li>• On completion of 12 months from the date of grant of the Options: 100% vests</li> </ul>				
Maximum term of Exercise period	7 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 ₹ 2.00 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 seven years from the date of vesting in respect of Options granted under the plan.				

#### b) Compensation expenses arising on account of share based payment

Particulars	31 March, 2024	31 March, 2023
Expenses arising from equity settled share-based payment transactions	428.28	259.15

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 47. SHARE BASED PAYMENTS (CONTD.)

### c) Fair Value on the grant date

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. Details for which are as under:

Particulars	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
Grant Date	29 April, 2022	07 February, 2023	08 November, 2023	08 November, 2023	08 November, 2023
Exercise price	647.85	536.05	647.85	493.46	493.46
Weighted Average Fair value	329.74	270.33	350.98	381.85	357.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%	7.20%-7.23%	7.20%-7.23%	7.20%
Expected life	5.5-8.5 years	5.5-8.5 years	5.5-8.5 years	4.5-7.5 years	4.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%	41.03%-46.37%	41.56%-46.37%	46.37%
Expected dividends	0.88%	0.85%	0.65%	0.65%	0.65%
The price of the underlying shares in market at the time of Option grant	647.85	536.05	657.95	657.95	657.95

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	ESOP 2021		ESOP 2023		
	Grant-1	Grant-2	Grant-1	Grant-2	Grant-3
Balance at the beginning of the year	3,15,296	1,01,107	-	-	-
Granted during the year	-	-	93,411	33,165	10,000
Exercised during the year	-	-	-	-	-
Forfeited/lapsed during the year	16,329	15,003	2,839	-	-
Expired during the year	-	-	-	-	-
Balance at the end of the year	2,98,967	86,104	90,572	33,165	10,000
Exercisable as at 31 March, 2024	-	-	-	-	-

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 48. DIVIDEND

During the year, the Company has paid dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs towards final dividend for the year ended 31 March, 2023. Further, the Board of directors has recommended dividend of ₹ 3/- per equity share aggregating ₹ 1,230.11 Lakhs in their meeting held on 15 May, 2024 for the financial year ended 31 March, 2024 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

### 49. SEGMENT REPORTING

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

### 50.

#### (A) - Trade Receivables ageing

##### Trade Receivables ageing schedule for the period ended 31 March, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	25,632.19	7,689.03	161.61	19.81	8.86	-	<b>33,511.50</b>
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	0.03	18.30	55.74	14.15	938.54	<b>1,026.76</b>
(iii) Disputed Trade Receivables – credit impaired	-	0.06	-	0.08	8.01	1,506.13	<b>1,514.28</b>
	<b>25,632.19</b>	<b>7,689.12</b>	<b>179.91</b>	<b>75.63</b>	<b>31.02</b>	<b>2,444.67</b>	<b>36,052.54</b>

##### Trade Receivables ageing schedule for the period ended 31 March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,441.09	5,454.47	253.21	14.15	7.80	-	<b>26,170.72</b>
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	9.65	4.35	35.23	148.65	1,945.84	<b>2,143.72</b>
(iii) Disputed Trade Receivables – credit impaired	-	-	0.88	0.02	8.02	765.86	<b>774.78</b>
	<b>20,441.09</b>	<b>5,464.12</b>	<b>258.44</b>	<b>49.40</b>	<b>164.47</b>	<b>2,711.70</b>	<b>29,089.22</b>

#### (B) - Trade Payables ageing

##### Trade Payables ageing schedule for the period ended 31 March, 2024

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	6,992.00	0.86	-	-	-	6,992.86
ii) Others	589.03	39,614.15	8,391.28	159.43	75.06	104.80	48,933.75
	<b>589.03</b>	<b>46,606.15</b>	<b>8,392.14</b>	<b>159.43</b>	<b>75.06</b>	<b>104.80</b>	<b>55,926.61</b>



## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 50. (CONTD.)

#### Trade Payables ageing schedule for the period ended 31 March, 2023

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	4,268.18	0.86	-	-	-	4,269.04
ii) Others	441.98	25,883.93	6,592.09	218.53	287.76	64.27	33,488.56
iii) Disputed dues – MSME	-	4.20	-	-	-	-	4.20
iv) Disputed dues - Others	-	-	1.88	-	-	-	1.88
	<b>441.98</b>	<b>30,156.31</b>	<b>6,594.83</b>	<b>218.53</b>	<b>287.76</b>	<b>64.27</b>	<b>37,763.68</b>

\*Outstanding dues of Micro Enterprises & Small Enterprises only.

### 51. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarizes the capital of the Group.

Particulars	31 March, 2024	31 March, 2023
Equity Share Capital	820.07	849.48
Other Equity	71,193.88	77,847.46
Non Controlling Interest	11,282.21	10,756.68
<b>Total Equity</b>	<b>83,296.16</b>	<b>89,453.62</b>
Non-Current Borrowings	18,566.82	18,511.02
Current maturities of Non-Current Borrowings	4,255.00	4,238.57
Current Borrowings	10,689.01	26,087.26
<b>Total Debts</b>	<b>33,510.83</b>	<b>48,836.85</b>

### 52. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES ARE AS UNDER:

Particulars	31 March, 2024	Cash Flow changes	Non Cash Changes			31 March, 2023
			Obtaining/losing Control of Subsidiary	Expense Accrued	Others	
Non Current borrowings*	22,821.82	72.23	-	-	-	22,749.59
Current borrowings	10,689.01	(14,697.59)	(700.66)	-	-	26,087.26
Lease Liability	4,240.99	(754.36)	-	-	409.56	4,585.79
Accrued Interest	162.35	(4,698.11)	-	4,645.57	-	214.89
<b>Total liabilities from financing activities</b>	<b>37,914.17</b>	<b>(20,077.83)</b>	<b>(700.66)</b>	<b>4,645.57</b>	<b>409.56</b>	<b>53,637.53</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 52. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES ARE AS UNDER (CONTD.)

Particulars	31 March, 2023	Cash Flow changes	Obtaining/losing Control of Subsidiary	Non Cash Changes		As at 31 March, 2022
				Expense Accrued	Others	
Non Current borrowings*	22,749.59	1,609.83	(1,163.05)	-	-	22,302.81
Current borrowings	26,087.26	1,052.51	(317.47)	-	-	25,352.22
Lease Liability	4,585.79	(674.63)	-	-	1,673.91	3,586.51
Accrued Interest	214.89	(3,845.55)	(10.41)	4,035.99	-	34.86
<b>Total liabilities from financing activities</b>	<b>53,637.53</b>	<b>(1,857.84)</b>	<b>(1,490.93)</b>	<b>4,035.99</b>	<b>1,673.91</b>	<b>51,276.40</b>

\* Including current maturity of non current borrowings.

### 53. LEASE DISCLOSURE

I. **Group as a lessee :-** The Group incurred following expenses towards short-term leases and leases of low-value assets.

#### Lease payments not recognized as a Lease Liability.

Particulars	31 March, 2024	31 March, 2023
Short-term Leases	272.63	154.87
Leases of Low Value Assets	0.95	1.13

#### Movement of Lease Liabilities during the year

Particulars	31 March, 2024	31 March, 2023
Opening Lease Liabilities	4,585.79	3,586.51
New Leases recognized	500.79	1,920.88
Remeasurements and withdrawals	(99.29)	(246.97)
Interest expense on Lease Liabilities	363.40	378.22
Payment of Lease Liabilities (including Interest)	(1,109.70)	(1,052.85)
<b>Closing Lease Liabilities</b>	<b>4,240.99</b>	<b>4,585.79</b>

II. **Group as a lessor :-** The Group has recognized rent income under the head of other income as follows:

Particulars	31 March, 2024	31 March, 2023
Rent received during the year	17.53	17.12

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

54. There are following charges appearing on the website of the MCA. These are very old charges against which the Company has no loan outstanding as at reporting date. The Company is taking up with the MCA to remove these charges from its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	24.00	Kolkata
2	L.I.C. OF INDIA	24.00	Kolkata
3	L.I.C. OF INDIA	24.00	Kolkata
4	H.D.F.C. LTD.	19.65	Kolkata
5	ICICI BANK LTD.	50.00	Kolkata

- 55 a) Detail of transactions and relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name	Nature of transaction	Balance as at 31 March, 2024	Balance as at 31 March, 2023	Relationship
Rabjyot Tradecon Private Limited*	Receivables	Nil	15.73	None

\* payment received during the year from the director of the struck off company on its behalf.

- b.) In few subsidiary companies, having borrowings facility from banks on the basis of security of current assets, the amount shown in quarterly returns or statements were derived from the unaudited and provisional books of accounts. As regards the disclosure of discrepancies, if any, envisaged to be disclosed as part of additional information were not made due to unfinished summary of reconciliation in this regards. However, the management of the subsidiary companies do not foresee any reasons for material discrepancies nevertheless figures submitted in quarterly returns or statements were provisional and unaudited in nature and subject to reconciliation.
- c.) Other disclosures required under Schedule III amendments:
- i) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
  - ii) None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - iii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
  - iv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31 March, 2024 and 31 March, 2023 which needs to be recorded in the books of account of any of the entities consolidated in the Group.
  - v) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
  - vi) Utilization of borrowed funds and share premium
    - A) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

### 55. (CONTD.)

- B) The Company during the year has not received any fund from any person(s) or entity(ies), 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.
- vii) Borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

### 56. BUSINESS COMBINATION

#### Divestment in Subsidiary (Loss of Control)

During the year, parent company has divest its investment in one of its subsidiary Somany Fine Vitrified Private Limited on 01 July, 2023 for the consideration of ₹ 428.40 Lakhs.

During the previous year, parent company has divest its investment in one of its subsidiary Amora Ceramics Private Limited on 01 July, 2022 for the consideration of ₹ 362.21 Lakhs.

#### Summary of Consolidated Assets and Liabilities of Subsidiary in which divestment made during the year:

Particulars	30 June, 2023	30 June, 2022
Non Current Assets	3,586.03	2,318.88
Current Assets	480.68	1,404.61
Non Current Liabilities	700.99	1,026.57
Current Liabilities	1,228.65	1,559.88
<b>Net Assets</b>	<b>2,137.07</b>	<b>1,137.04</b>

#### Summary of Revenue and Expenditure of Subsidiary for the period 01 April, 2023 to 30 June, 2023, in which divestment made during the year, included in Consolidated Statement of Profit & Loss:

Particulars	For the Period 01 April, 2023 to 30 June, 2023	For the Period 01 April, 2022 to 30 June, 2022
Revenue	225.58	1,493.88
Less Expenses	322.84	1,485.19
Profit before tax	(97.26)	8.69
Tax Expense	(27.06)	2.19
<b>PAT</b>	<b>(70.20)</b>	<b>6.50</b>

#### Summary of Gain on divestment in subsidiary

Particulars	For the Period 01 April, 2023 to 30 June, 2023	For the Period 01 April, 2022 to 30 June, 2022
Net Assets Disposed off	(2,137.07)	(1,137.04)
Non Controlling interests	1,047.17	557.15
Consideration received on divestment	428.40	362.21
<b>Gain/(Loss) on divestment</b>	<b>(661.50)</b>	<b>(217.68)</b>

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

**57.** During the financial year 2018-19, the Parent Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated 11 February, 2021 with the Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated 12 February, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs), which has since been transferred in the name of the Company, as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the said MOU, the Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. The Company has during the year sold on property and increased the "Liability under Defalcation Suit". Awaiting the final decree of the Hon'ble Civil Court, the Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 16 amounting to ₹ 657.75 Lakhs (Previous year ₹ 657.75 Lakhs) and also recognized 'Liability under Defalcation Suit' amounting to ₹ 665.42 Lakhs (net of Expenses) (Previous year ₹ 665.78 Lakhs) under Note no 27. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.

**58.** The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Name	Country of Incorporation	Percentage of Ownership interest As at 31 March, 2024	Percentage of Ownership interest As at 31 March, 2023
SR Continental Ltd.	India	100%	100%
Somany Bathware Ltd.	India	100%	100%
Amora Tiles Pvt. Ltd.	India	51%	51%
Somany Fine Vitrified Pvt. Ltd. (Ceases w.e.f. 01 July, 2023)	India	-	51%
Somany Sanitaryware Pvt. Ltd.	India	51%	51%
Somany Excel Vitrified Pvt. Ltd.	India	100%	100%
Vintage Tiles Pvt. Ltd.	India	50%	50%
Vicon Ceramic Pvt. Ltd.	India	26%	26%
Acer Granito Pvt. Ltd.	India	26%	26%
Sudha Somany Ceramics Pvt. Ltd.	India	60%	60%
Somany Bath Fittings Pvt. Ltd.	India	100%	100%
Somany Piastrelle Pvt. Ltd.	India	100%	100%
SRCL Buildwell Pvt. Ltd. (subsidiary of SR Continental Ltd.)	India	100%	100%
Somany Max Pvt. Ltd. *	India	80%	80%

\* Incorporated on 24 February, 2022 to carry out the business of manufacturing of large format/slab tiles.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 59 DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

### a) As at and for the year ended 31 March, 2024

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Somany Ceramics Limited	100.42%	72,316.82	107.10%	10,377.08	45.76%	7.71	107.00%	10,384.79
<b>Subsidiaries (Indian)</b>								
SR Continental Ltd.	0.60%	430.76	0.60%	58.20	0.00%	-	0.60%	58.20
Somany Bathware Ltd.	0.15%	104.61	0.04%	3.97	0.00%	-	0.04%	3.97
Amora Tiles Pvt. Ltd.	1.36%	976.62	0.09%	8.67	17.03%	2.87	0.12%	11.54
Somany Fine Vitrified Pvt. Ltd.	0.00%	-	(0.79)%	(76.56)	0.00%	-	(0.79)%	(76.56)
Somany Sanitaryware Pvt. Ltd.	1.88%	1,354.85	1.07%	103.79	38.34%	6.46	1.14%	110.25
Somany Excel Vitrified Pvt. Ltd.	0.56%	400.33	0.04%	4.26	0.00%	-	0.04%	4.26
Vintage Tiles Pvt. Ltd.	2.32%	1,668.40	0.96%	93.06	217.45%	36.64	1.34%	129.70
Somany Piastrelle Pvt. Ltd.	4.27%	3,071.50	(5.17)%	(500.80)	(69.08)%	(11.64)	(5.28)%	(512.44)
SRCL Buildwell Pvt. Ltd. (subsidiary of SR Continental Ltd.)	0.33%	240.63	(0.04)%	(3.98)	0.00%	-	(0.04)%	(3.98)
Somany Max Pvt. Ltd.	9.60%	6,915.99	(5.13)%	(497.45)	0.00%	-	(5.13)%	(497.45)
Acer Granito Pvt. Ltd.	4.01%	2,888.12	0.23%	22.04	2.20%	0.37	0.23%	22.41
Vicon Ceramic Pvt. Ltd.	1.75%	1,260.43	0.97%	93.68	0.53%	0.09	0.97%	93.77
Sudha Somany Ceramics Pvt Ltd.	6.85%	4,936.07	1.25%	121.29	(1.13)%	(0.19)	1.25%	121.10
Somany Bath Fittings Pvt. Ltd.	1.27%	917.23	1.52%	146.92	(13.65)%	(2.30)	1.49%	144.62
Non Controlling Interest in All Subsidiaries	(15.67)%	(11,282.19)	(2.58)%	(249.54)	(137.45)%	(23.16)	(2.81)%	(272.70)
Consolidated Adjustments/ Eliminations*	(19.70)%	(14,186.22)	(0.16)%	(15.69)	0.00%	-	(0.16)%	(15.69)
	<b>100.00%</b>	<b>72,013.95</b>	<b>100.00%</b>	<b>9,688.94</b>	<b>100.00%</b>	<b>16.85</b>	<b>100.00%</b>	<b>9,705.79</b>

\*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

\*\* During the year, The Company has made investment in 49% equity shares of Clean Max Ananta Pvt. Ltd("CMAPL") on 07 March, 2024 and became associate of the Company. Subsequent to reporting date, the Company has entered into various agreements with the other shareholder of CMAPL which restrict the Company to participate in the financial and operating policy decisions of the CMAPL. Therefore, the CMAPL cease to be an associate under IND AS, however, CMAPL continue as associate under the Companies Act, 2013.

# Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

## 59 DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III (CONTD.)

### b) As at and for the year ended 31 March, 2023

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
<b>Parent</b>								
Somany Ceramics Limited.	99.52%	78,320.81	126.01%	9,008.47	113.60%	(75.74)	126.12%	8,932.73
<b>Subsidiaries (Indian)</b>								
SR Continental Ltd.	0.47%	372.56	(0.01)%	(1.06)	0.00%	-	(0.01)%	(1.06)
Somany Bathware Ltd.	0.13%	100.63	0.04%	2.64	0.00%	-	0.04%	2.64
Amora Tiles Pvt. Ltd.	1.23%	965.09	(6.92)%	(494.51)	1.05%	(0.70)	(6.99)%	(495.21)
Somany Fine Vitrified Pvt. Ltd.	1.65%	1,300.63	(10.58)%	(756.52)	(5.59)%	3.73	(10.63)%	(752.79)
Somany Sanitaryware Pvt. Ltd.	1.58%	1,244.61	0.48%	34.63	(7.84)%	5.23	0.56%	39.86
Somany Excel Vitrified Pvt. Ltd.	0.50%	396.07	(0.01)%	(1.07)	0.00%	-	(0.02)%	(1.07)
Vintage Tiles Pvt. Ltd.	1.96%	1,538.69	0.13%	9.03	(8.11)%	5.41	0.20%	14.44
Somany Piastrelle Pvt. Ltd.	(0.28)%	(224.02)	(13.28)%	(949.15)	(0.01)%	0.01	(13.40)%	(949.14)
SRCL Buildwell Pvt. Ltd. (subsidiary of SR Continental Ltd.)	0.31%	244.61	0.01%	0.77	0.00%	-	0.01%	0.77
Somany Max Pvt. Ltd.	6.24%	4,913.44	(1.21)%	(86.21)	0.00%	-	(1.22)%	(86.21)
Acer Granito Pvt. Ltd.	3.64%	2,865.71	0.53%	38.01	(2.11)%	1.41	0.56%	39.42
Vicon Ceramic Pvt. Ltd.	1.48%	1,166.66	0.86%	61.53	(1.09)%	0.73	0.88%	62.26
Sudha Somany Ceramics Pvt Ltd.	3.58%	2,815.00	(6.79)%	(485.30)	(3.93)%	2.62	(6.82)%	(482.68)
Creanza Tiles Pvt. Ltd. (Formerly Amora Ceramics Pvt Ltd.)	0.00%	-	(0.19)%	(13.91)	0.00%	-	(0.20)%	(13.91)
Somany Bath Fittings Pvt. Ltd.	0.98%	772.62	0.37%	26.16	(0.01)%	0.01	0.37%	26.17
Non Controlling Interest in All Subsidiaries	(13.67)%	(10,756.68)	6.40%	457.50	14.07%	(9.38)	6.33%	448.12
Consolidated Adjustments/ Eliminations*	(9.33)%	(7,339.49)	4.17%	298.15	0.00%	-	4.21%	298.15
	<b>100.00%</b>	<b>78,696.94</b>	<b>100.00%</b>	<b>7,149.16</b>	<b>100.00%</b>	<b>(66.67)</b>	<b>100.00%</b>	<b>7,082.49</b>

\*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

## Notes to Consolidated Financial Statements for the Year Ended 31 March, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

**60.** The figures of the previous period have been regrouped/reclassified, wherever considered necessary, to conform current period classifications. The impact of the such regrouping/reclassification is not material.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

### As per our report of even date attached

#### For Singhi & Co.

Chartered Accountants  
Firm Registration No. 302049E

#### Bimal Kumar Sipani

Partner  
M. No. 088926

Place: Noida

Date: 15 May, 2024

### For and on behalf of Board of Directors

#### Shreekant Somany

Chairman & Managing Director  
DIN: 00021423

#### Amit Sahai

CEO - Tiles Business  
PAN: AHOPS1790C

#### Sailesh Raj Kedawat

Chief Financial Officer  
ICAI M. No. 77330

#### Abhishek Somany

Managing Director & CEO  
DIN: 00021448

#### Amrish Julka

Sr. GM - Legal and Company Secretary  
M. No.: F4484



## SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001  
 CIN: L40200WB1968PLC224116, Website: [www.somanyceramics.com](http://www.somanyceramics.com), Phone: 033-22487406/5913  
 E-mail: [sclinvestors@somanyceramics.com](mailto:sclinvestors@somanyceramics.com); [corporateaffairs@somanyceramics.com](mailto:corporateaffairs@somanyceramics.com)

### NOTICE OF THE 56<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 56<sup>th</sup> Annual General Meeting ("AGM") of the Members of Somany Ceramics Limited will be held on Monday, the 12 August, 2024 at 11:30 A.M. I.S.T. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:-
  - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31 March, 2024 together with the Reports of Directors' and Statutory Auditors' thereon; and
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2024 together with the report of Statutory Auditors' thereon.
2. To declare a final dividend of ₹ 3 per equity share of the face value of ₹ 2/- each (@150%) for the financial year ended 31 March, 2024.
3. To appoint a Director in place of Mr. Ghanshyam Girdharbhai Trivedi (DIN:00021470), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, the following resolution as **SPECIAL RESOLUTION:**

**Appointment of Mr. Manit Rastogi (DIN: 00370998) as a Non-Executive Independent Director of the Company for a term of five (05) consecutive years.**

**"RESOLVED THAT** pursuant to the provisions of Section 149,150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and in accordance with the relevant provisions of the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Manit Rastogi (DIN: 00370998), who was appointed by the Board

of Directors as an Additional Independent Director of the Company with effect from 15 May, 2024, and who has submitted a declaration that he meets the criteria of independence as provided in the Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term of five (05) consecutive years, with effect from 15 May, 2024 to 14 May, 2029."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution."

5. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**Approval for Material Related Party Transactions with M/s Sudha Somany Ceramics Private Limited ("SSCPL").**

**"RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, if any, read with Rules framed there under, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Memorandum and Articles of Association of the Company, the Company's Policy on Related Party Transactions and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), on recommendation of the Audit Committee and Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any Committee duly constituted / empowered by the Board, from time to time, to exercise its powers conferred by this resolution), to enter into and/ or to carry out and/ or continue to enter, carry out contracts/ arrangements/ transactions, whether by way of renewal(s) or extension(s) or

modification(s) of earlier contract/ arrangements/ transactions or otherwise and/or carrying out/ continuing with arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with M/s Sudha Somany Ceramics Private Limited (being a related party of the Company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations), which may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other materiality threshold, as may be prescribed from time to time subject to an amount up to ₹ 32,623 Lakhs (Rupees Thirty Two Thousand Six Hundred and Twenty Three Lakhs Only), to be entered during FY 2024-25, subject to such contracts(s)/ arrangement(s)/ transaction(s) being carried out at arm's length and in ordinary course of business of the Company."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval there to expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee, Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

6. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**Approval for payment of Remuneration to Mr. Shrivatsa Somany, holding office or place of profit in the Company.**

**"RESOLVED THAT** pursuant to provisions of Section 188(1)(f) of the Companies Act, 2013, read with Companies (Meeting of Board and

its Power) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment there of or the time being in force and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s) and on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to revise the remuneration of Mr. Shrivatsa Somany, Head – Bathware Business, holding office or place of profit, subject to the maximum remuneration not exceeding ₹ 75,00,000/- (Rupees Seventy Five Lakhs only) per annum and such other prerequisites in accordance with the Company policies with effect from 12 August, 2024."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including any agreements or such other documents and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee, Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

7. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**Approval for payment of Remuneration to Mrs. Minal Somany, holding office or place of profit in the Company.**

**"RESOLVED THAT** pursuant to provisions of Section 188(1)(f) of the Companies Act, 2013, read with Companies (Meeting of Board and

its Power) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment there of or the time being in force and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s) and on the recommendation of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the consent of the Members be and is hereby accorded to revise the remuneration of Mrs. Minal Somany, Brand Custodian, holding office or place of profit, subject to the maximum remuneration not exceeding ₹ 50,00,000/- (Rupees Fifty Lakhs only) per annum and such other perquisites in accordance with the Company policies, with effect from 12 August, 2024."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including any agreements or such other documents and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee, Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors  
**For Somany Ceramics Limited**

**(Amrish Julka)**

Place: Noida Sr. General Manager (Legal) & Company Secretary  
Dated: 29 May, 2024 (M. No. F4484)

#### NOTES:

1. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto and forms part of the Notice. Information on Directors proposed to be appointed/ re-appointed at the AGM as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("**SS-2**") are provided in the **Annexure – A** to this Notice.
2. The Ministry of Corporate Affairs ("**MCA**") inter-alia vide Circular Nos.14/2020,17/2020,20/2020,02/2021,19/2021,02/2022,10/2022 and 09/2023 dated 08 April, 2020,13 April, 2020, 05 May, 2020,13 January, 2021, 08 December, 2021, 05 May, 2022, 28 December, 2022 and 25 September, 2023 respectively, ("**MCA Circulars**") and Securities and Exchange Board of India ("SEBI") vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 12 May, 2020, 15 January, 2021, 13 May, 2022, 05 January, 2023 and 07 October, 2023 respectively, ("**SEBI Circulars**") have permitted holding of the AGM by corporates through Video Conferencing ("**VC**") or through other audio-visual means ("**OAVM**"), without physical presence of the Members at a venue. In compliance with the provisions of the Companies Act, 2013 ("**the Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and MCA Circulars, the ensuing AGM of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 56<sup>th</sup> Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the said AGM through VC/OAVM is given below in the e-voting instructions.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited ("**CDSL**") for facilitating voting through electronic means,

as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the facility to appoint proxy to attend and cast vote for the members is not available. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Notice calling the AGM has been uploaded on the website of the Company at [www.somanyceramics.com](http://www.somanyceramics.com).  
The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. Members are requested to notify immediately the change of their name, postal address, email address, mobile number, PAN, Nomination and bank particulars to their DP if the shares are held by them in electronic form and to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Maheshwari Datamatics Private Limited if shares are held in physical form. The prescribed forms ISR-1, ISR-2, nomination form, as applicable, pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD\_RTAMB/P/ CIR/2021/655 dated

3 November, 2021 are available on the website of RTA at <https://mdpl.in/form>. Further the shareholders are requested to submit duly filled form along with all necessary documents at the address of RTA at 5<sup>th</sup> Floor, 23, R.N. Mukherjee Road, Kolkata - 700001. To prevent fraudulent transactions, members are allowed to exercise due diligence and not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

9. Members having multiple folios in the same order of name(s) may inform the Company for consolidating them in to one folio.
10. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH-13 to the RTA of the Company for nomination and Form SH-14 for cancellation/ variation as the case may be. The forms are available on the website of the RTA i.e. <https://mdpl.in/form/registration-of-nomination>. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the registered office of the Company at 2, Red Cross Place, Kolkata-700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of AGM.
12. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 06 August, 2024 to Monday, 12 August, 2024** for the purpose of the 56<sup>th</sup> Annual General Meeting.
13. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed dividends upto the year 2015-16 has been transferred to Investor Education and Protection Fund ("IEPF"). Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder. Further, the unpaid/ unclaimed dividend which was declared for the year ended 31 March, 2017 is due for transfer to IEPF on or after 25 September, 2024 in terms of the provisions of the said Act. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website

- [www.somanyceramics.com](http://www.somanyceramics.com). For the financial year ended 31 March, 2017 or any subsequent financial year(s) are urged to claim such amount from the Company immediately.
14. (a) Members may note that the Board, at its meeting held on 15 May, 2024, has recommended a final dividend of ₹ 3/- per equity share of ₹ 2/- each (@150%) for the financial year ended 31 March, 2024.
  - (b) The final dividend once approved by the members in the ensuing AGM, will be paid within 30 days from declaration of Dividend, through electronic mode.
  - (c) The Company has fixed Monday, 05 August, 2024 as the Record Date for determining the entitlement of Members to final dividend for the financial year ended 31 March, 2024.
  - (d) Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after 01 April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend.
  - (e) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 03 November,, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/ CIR/2021/687 dated 14 December, 2021, SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 16 March, 2023 and SEBI/ HO/MIRSD/POD-1/P/CIR/2023/181 17 November, 2023) has mandated that with effect from 01 April, 2024, dividend to security holders (holding securities 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.
  - (f) Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf).
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Maheshwari Datamatics Private Limited/Company.
  16. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular number SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25 January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.
  17. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their email ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with the irrespective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
  18. Members desiring any information relating to the Audited Financial Statements are requested to write to the Company well in advance so as to enable the management to keep the information ready.
  19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  20. Members may note that the Notice of this Annual General Meeting and the Annual Report of the Company for FY 2023-24 is also available on the website of the Company viz. [www.somanyceramics.com](http://www.somanyceramics.com).
  21. The Financial Statements of the subsidiaries of the Company are not attached to the 56<sup>th</sup> Annual Report of the Company. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements along with related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website at <https://www.somanyceramics.com>. These documents will also be available for inspection at the registered office of the Company at 2, Red Cross Place, Kolkata-700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of AGM.

22. The Board of Directors of the Company has appointed Mr. Akshit Kumar Jangid, Partner of M/s Pinchaa & Co., Company Secretaries, (Membership No. FCS 11285, CP No. 16300), as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner. Post receiving the Scrutinizer's report, the Company shall communicate the voting results within two working days from the conclusion of the Meeting to the Stock Exchanges. The results declared along with the Scrutinizer's report shall be placed on the website of the Company viz. [www.somanyceramics.com](http://www.somanyceramics.com).

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

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

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

- (i) The voting period begins on **08 August, 2024 at 09:00 A.M.** and ends on **11 August, 2024 at 05:00 P.M.** During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **05 August, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on the cut-off date should treat the Notice of this Meeting for information purposes only.
- (ii) The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 05 August, 2024.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting through e-voting system.
- (iv) Any person or non-individual Shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date may follow the steps mentioned below for remote e-voting.
- (v) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 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.

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.**

- (vi) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	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 cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon & New System Myeasi 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.

Type of shareholders	Login Method
	<p>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page</p>

Type of shareholders	Login Method
	<p>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 &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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.**

(vii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>

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

- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Somany Ceramics Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) There is also an optional provision to upload Board Resolution (BR)/Power of Attorney (POA), if any uploaded, which will be made available to scrutinizer for verification.
- (xix) 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](http://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](mailto:helpdesk.evoting@cdslindia.com)



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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 BR and POA which they have issued in favor 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 their respective email addresses viz; [ppincha@gmail.com](mailto:ppincha@gmail.com) and [scl\\_agm@somanyceramics.com](mailto:scl_agm@somanyceramics.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 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 at least 10 days prior to meeting mentioning

their name, demat account number/folio number, email id, mobile number at [scl\\_agm@somanyceramics.com](mailto:scl_agm@somanyceramics.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [scl\\_agm@somanyceramics.com](mailto:scl_agm@somanyceramics.com). These queries will be replied 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.

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

1. For Physical shareholders - You are requested to send the duly completed ISR 1, ISR 2 and Choice of nomination (<https://mdpl.in/form>) with signature of the holders attested by your banker along with a cancelled cheque leaf with your name, account no. and IFSC Code printed thereon. In case your name is not printed on the cheque leaf, you are requested to send additionally bank attested copy of your pass book / bank statement showing your name, account no and IFSC Code.

In case of any query, the member may send an e-mail to RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33 or 022-23058542 / 022-23058543 / 022-23058738.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 4

#### **Appointment of Mr. Manit Rastogi (DIN: 00370998) as a Non-Executive Independent Director of the Company for a term of five (5) consecutive years.**

Mr. Manit Rastogi (DIN: 00370998) was appointed as an Additional Director (Category: Non-Executive Independent Director) of the Company by the Board of Directors for a term of five consecutive years w.e.f. 15 May, 2024 on the recommendation of Nomination and Remuneration Committee, in its meeting held on 15 May, 2024.

In terms of provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment of Independent Director requires approval of Members by way of a Special Resolution.

The Company has received a notice in writing under Section 160 of the Act from a Member of the Company proposing the candidature of Mr. Manit Rastogi, for the office of a Director.

The brief profile of Mr. Manit Rastogi is given below:

Mr. Manit Rastogi (54 years) is an internationally renowned architect and the Founding Partner of Morphogenesis, one of the largest Architectural Firms in India. A winner of over 150 prestigious awards and an author of over a thousand publications and journals, he is a Fellow of the Indian Institute of Architects, Fellow of the Royal Society of Arts and a chartered member of the Royal Institute of British Architects.

Globally his firm has been listed among the top 100 Architectural Firms for over a decade. He has worked across a diverse canvas ranging from architecture to urban design, landscape, interior design, art & sculpture. His professional portfolio includes several Commercial Buildings, Residential Complexes, Smart Cities, Significant Institutions, Offices, and Hotels across India, Bhutan, South Africa, Nepal, Bangladesh, UAE, Sri Lanka and Afghanistan.

He is a leading speaker in sustainable design having lectured at numerous reputed Universities and Conferences worldwide. As a founder member of the GRIHA Council, India's premier green rating system, Mr. Manit Rastogi also works actively with urban policymakers to spearhead initiatives with an emphasis on environmental sensibility and socio-cultural sustainability.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive

years on the Board of a Company and is not liable to retire by rotation. Mr. Manit Rastogi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act read with rule 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time and Regulation(s) 16(1)(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Manit Rastogi fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. The Nomination and Remuneration Committee and the Board are of the opinion that Mr. Manit Rastogi possesses requisite skills and knowledge and it would be in the interests of the Company to appoint Mr. Manit Rastogi as an Independent Director of the Company.

The additional detailed information/ disclosure as required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as **Annexure-A**.

The terms and conditions of appointment of Independent Director shall be open for inspection by the members upon request.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members to understand the meaning, scope and implications of the agenda item and to take decision thereon.

Accordingly, the Board hereby recommends the enabling resolution set out under item no. 4 for approval of the members as a Special Resolution.

Mr. Manit Rastogi is interested and concerned in the Resolution mentioned at Item No. 4 of the Notice. Other than Mr. Manit Rastogi, no other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item No. 4 of the Notice.

### ITEM NO.5

#### **Approval for Material Related Party Transactions with M/s Sudha Somany Ceramics Private Limited ("SSCPL").**

M/s. Sudha Somany Ceramics Private Limited ("SSCPL") a Subsidiary Company of Somany Ceramics Limited ("The Company" or "SCL") is a Related Party as defined under Section 2 (76) of the Act read with Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 ("Listing Regulations") as amended as on date.

The Company is engaged in the business of manufacturing and sales of ceramic tiles. The Company in its ordinary course of business and on arms' length basis, enters into contracts/ agreements/ arrangements for purchase of ceramic tiles from the Joint ventures/Subsidiaries. These activities have been essential for the Company to carry out its business operations and maximize its growth and performance.

The Company estimates that during FY 2024-25, the transactions of above nature will be recurrent in the course of Company's business and are estimated to exceed the materiality threshold limit of 10% of annual consolidated turnover of the Company as per the audited financial statements for FY 2023-24, pursuant to Regulation 23(1) of the Listing Regulations.

Considering the historical levels of such transactions, anticipated business transactions and business environment and as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company for an aggregate value of an amount not exceeding ₹ 32,623 Lakhs (Rupees Thirty Two Thousand Six Hundred and Twenty Three Lakhs Only) for sale/ purchase of goods, transfer/receipt of products, Inter Corporate Deposits ("ICDs"), interest paid/receipt, availing and rendering of services, rent paid/rent receipt, corporate guarantee, reimbursements, sale/purchase of fixed assets or other obligations for FY 2024-25.

**DETAILS OF THE PROPOSED RPTS INCLUDING THE SUMMARY OF INFORMATION PROVIDED BY THE MANAGEMENT TO THE AUDIT COMMITTEE FOR APPROVAL OF THE PROPOSED RELATED PARTY TRANSACTIONS ("RPTS OR RPT"), INFORMATION REQUIRED TO BE DISCLOSED IN THE EXPLANATORY STATEMENT PURSUANT TO THE SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 DATED 22 NOVEMBER, 2021, ARE AS FOLLOWS:**

M/s. Sudha Somany Ceramics Private Limited ("SSCPL") is a Subsidiary of the Company in which Somany Ceramics Limited holds 60% and M/s. ER Ceramics Private Limited holds 40% of total paid up Share Capital.

The Company and SSCPL have entered into/propose to enter into the following RPTs during FY 2024-25, for an aggregate value not exceeding ₹ 32,623 Lakhs (Rupees Thirty Two Thousand Six Hundred and Twenty Three Lakhs Only). The transaction involves sale/ purchase of goods, transfer/ receipt of products, Inter Corporate Deposits ("ICDs"), interest paid/ receipt, availing and rendering of services, rent paid/ rent receipt, corporate guarantee, reimbursements, sale/ purchase of fixed assets or other obligations and transactions for business purpose from/to SSCPL during FY 2024-25. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs is approximately 13%.

The proposed transactions are at arms' length basis and are being done in the ordinary course of business. The Company is engaged in the business of manufacturing and sales of ceramic tiles. The Company in its ordinary course of business and on arms' length basis, enters into contracts/ agreements/ arrangements for purchase of ceramic tiles from the Joint ventures/ Subsidiaries. These activities have been essential for the Company to carry out its business operations and maximize its growth and performance.

The valuation and pricing of the proposed RPTs have been carried out by the Internal Management of the Company which was noted by the Audit Committee of the Company. For the proposed transactions no valuation or external reports were required. All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.

Details of the source of funds in connection with the proposed transaction.	Own share capital / internal accruals and liquidity of the Company
Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:	Not Applicable
- Nature of indebtedness,	
- Cost of funds and	
- Tenure.	

Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	<p>Inter Corporate Deposits given / to be given/ recoverable/ recovered/ to be recovered aggregating to ₹ 2,342 Lakhs</p> <p>Tenure – up to 10 years</p> <p>Interest Rate: 9% - 12% linked to the Company's short term borrowing cost.</p> <p>Repayment schedule: Not Applicable</p>
The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	The above inter-corporate deposit are covered under unsecured category To meet working capital requirements and other business needs from time to time.

None of the Directors, Key Managerial Personnels ("KMPs") and/ or their respective relatives is in anyway, concerned or interested, financially or otherwise, in the Resolution mentioned under Item No.5 of the Notice except to the extent of his/her holding directorship/ KMP position and shareholding in the Company and SSCPL.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth under Item No. 5 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the Companies Act, 2013 and the Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth under Item No. 5 of the Notice, whether the entity is a Related Party to the particular transaction or not.

#### ITEM NO.6

##### **Approval for revision in Remuneration of Mr. Shrivatsa Somany, holding office or place of profit in the Company.**

The Nomination & Remuneration Committee, Audit Committee and the Board of Directors of the Company in their respective meetings held on 29 May, 2024 have recommended the revision in remuneration of Mr. Shrivatsa Somany Head – Bathware Business, relative of Mr. Shreekanth Somany, Chairman & Managing Director (DIN: 00021423) and Mr. Abhishek Somany, Managing Director & CEO (DIN: 00021448) of Company, in terms of the provisions of sections 177, 178 and 188 of the Companies Act, 2013 and rules made thereunder.

Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) (i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding ₹ 2,50,000/- shall be subject to approval by the Board of Directors of the Company

and the Members of the Company. Further, fourth proviso to Section 188(1) of the Act prescribes that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. Although, the above transaction is at arms' length basis and in ordinary course of business, approval of shareholders is sought by way of Ordinary resolution.

Mr. Shrivatsa Somany is associated with the Company since 2021 and his present role is to provide impetus to the expanding bathware business of the Company.

Considering the performance, responsibilities and educational qualifications of Mr. Shrivatsa Somany, it is proposed to increase his remuneration up to ₹ 75,00,000 per annum and such other perquisites in accordance with the Company policies with effect from 12 August, 2024.

None of the Directors, Key Managerial Personnels ("KMPs") and/or their respective relatives is in anyway, except Mr. Shreekanth Somany, Chairman & Managing Director, Mr. Abhishek Somany, Managing Director & CEO and their relatives, are concerned or interested, financially or otherwise, in the Resolution mentioned under Item No.6 of the Notice.

Based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, the Board recommends the Ordinary Resolution set forth under Item No. 6 of the Notice for approval by the Members.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members to understand the meaning, scope and implications of the agenda item and to take decision thereon.

The Members may note that in terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth under Item No. 6 of the Notice, whether the entity is a Related Party to the particular transaction or not.

#### ITEM NO.7

##### **Approval for revision in Remuneration of Mrs. Minal Somany, holding office or place of profit in the Company.**

The Nomination & Remuneration Committee, Audit Committee and the Board of Directors of the Company in their respective meetings held on 29 May, 2024 have recommended the revision in remuneration of Mrs. Minal Somany, Brand Custodian, relative of Mr. Shreekant Somany, Chairman & Managing Director (DIN: 00021423) and Mr. Abhishek Somany, Managing Director & CEO (DIN: 00021448) of Company, in terms of the provisions of Sections 177, 178 and 188 of the Companies Act, 2013 and rules made thereunder.

Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) (i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding ₹ 2,50,000/- shall be subject to approval by the Board of Directors of the Company and the Members of the Company. Further, fourth proviso to Section 188(1) of the Act prescribes that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis. Although, the above transaction is at arms' length basis and in ordinary course of business, approval of shareholders is sought by way of Ordinary resolution.

Mrs. Minal Somany has been associated with the Company since 2009. She has contributed immensely in the growth of the Company. She

also has an important role in the expansion of the business activities of the Company. She has been also overseeing brand identity, brand consistency, brand strategy and development of brand of the Company ensuring alignment with the Company's values and objectives.

Considering her experience, performance, responsibilities and educational qualifications, it is proposed to increase her remuneration up to ₹ 50,00,000 per annum and such other perquisites in accordance with the Company policies with effect from 12 August, 2024.

None of the Directors, Key Managerial Personnels ("KMPs") and/or their respective relatives is in anyway, except Mr. Shreekant Somany, Chairman & Managing Director, Mr. Abhishek Somany, Managing Director & CEO and their relatives, are concerned or interested, financially or otherwise, in the Resolution mentioned under Item No.7 of the Notice.

Based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, the Board recommends the Ordinary Resolution set forth under Item No. 7 of the Notice for approval by the Members.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable members to understand the meaning, scope and implications of the agenda item and to take decision thereon.

The Members may note that in terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth under Item No. 7 of the Notice, whether the entity is a Related Party to the particular transaction or not.

## Annexure-A

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings;

Name of the Director	Mr. Ghanshyam Girdharbhai Trivedi DIN: 00021470	Mr. Manit Rastogi DIN: 00370998
Age	77(+) years	54 (+) years
Qualification	ICMA, M.Sc., L.LB	B.Arch, AAGrad Dipl Dist(AA), AA Dipl(Hons),
Experience	About 54 years	About 31 years
Terms and Conditions	Not Applicable	As per explanatory statement
Remuneration sought to be paid	Commission & Sitting Fee as approved by the Board of Directors and the Shareholders	Commission & Sitting Fee as approved by the Board of Directors and the Shareholders
Remuneration last drawn for the 2023-24 (₹ in Lakhs)	4.35	Nil
Date of first appointment on the Board	01 September, 2017	15 May, 2024
Shareholding in the Company	2,000 Shares	Nil
Relationship with other Director, Manager and other KMP	No Relationship	No Relationship
Number of Board Meetings attended during the Year	4 out of 5	Not Applicable
Other Directorship Details	<ul style="list-style-type: none"> <li>• Somany Bathware Limited</li> <li>• Trans India Ceramics Private Limited</li> <li>• Yogi Cerachem Private Limited</li> <li>• Xphere India Foundation</li> <li>• Vidres India Ceramics Private Limited</li> <li>• Eurofrits India Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Morphre Kilo Private Limited*</li> <li>• Morphogenesis Education Private Limited*</li> <li>• Morphogenesis Realty Private Limited</li> <li>• Morphre Lima Private Limited*</li> </ul>
Membership/ Chairmanship of Committees of other Boards	None	None
Listed Entities from which the Director has resigned in the past three years	None	None

**Note:** Other details such as Brief Resume/Profile, nature of expertise, skill & capabilities of proposed appointee Directors are provided in the Explanatory Statement to the Notice and the Corporate Governance Report, forming part of Annual Report.

\*under process of striking off

# Corporate INFORMATION

## BOARD OF DIRECTORS

Mr. Shreekant Somany  
Mr. Abhishek Somany  
Mr. Salil Singhal  
Mr. Rameshwar Singh Thakur  
Mr. Ravinder Nath  
Mr. Vineet Agarwal  
Mrs. Rumjhum Chatterjee  
Mr. Ghanshyam Girdharbhai Trivedi  
Mr. Siddharath Bindra  
(Ceases to be director w.e.f. 25 May, 2024)  
Mr. Manit Rastogi  
(Appointed w.e.f. 15 May, 2024)

## CHIEF EXECUTIVE OFFICER- TILE BUSINESS

Mr. Amit Sahai

## CHIEF FINANCIAL OFFICER

Mr. Sailesh Raj Kedawat

## Sr. GM (LEGAL) & COMPANY SECRETARY

Mr. Ambrish Julka

## BANKERS

Punjab National Bank  
Kotak Mahindra Bank  
HDFC Bank  
ICICI Bank

## STATUTORY AUDITORS

Singhi & Co., Chartered Accountants

## WEBSITE

[www.somanyceramics.com](http://www.somanyceramics.com)

## Own Plants

Kassar Plant  
P.O- Kassar-124507, Bahadurgarh  
Distt. Jhajjar, Haryana

Kadi Plant  
14, G.I.D.C, Industrial Estate,  
Kadi - 382715  
Distt. Mehsana, Gujarat

## SUBSIDIARY COMPANIES

SR Continental Ltd.  
Somany Bathware Ltd.  
Somany Piastrelle Pvt. Ltd.  
Amora Tiles Pvt. Ltd.  
Somany Sanitary Ware Pvt. Ltd.  
Somany Excel Vitrified Pvt. Ltd.  
Sudha Somany Ceramics Pvt. Ltd.  
Somany Max Pvt. Ltd.  
Somany Bath Fittings Pvt. Ltd.  
SRCL Buildwell Pvt. Ltd.

## ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.  
Acer Granito Pvt. Ltd.  
Vicon Ceramic Pvt. Ltd.  
Clean Max Ananta Pvt. Ltd.

## REGISTERED OFFICE

2, Red Cross Place, Kolkata (W.B.)- 700001  
CIN: L40200WB1968PLC224116

## CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301  
Phone: 0120-4627900

## REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Private Limited  
23, R. N. Mukherjee Road, 5th Floor,  
Kolkata – 700 001  
Phone: 033-2243 5029/2248 2248,  
E-mail: mdpldc@yahoo.com

### Disclaimer:

This document contains statements about expected future events and financials of Somany Ceramics Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



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