

# CERA

CSL/2021-22/141  
6<sup>th</sup> July, 2021

To BSE Limited Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort, Mumbai -400001. Scrip Code :532443 Scrip ID: CERA	To National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex Bandra (East) Mumbai - 400051. Scrip Code: CERA
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Dear Sir/Madam,

**Sub: Notice of the 23<sup>rd</sup> AGM along with Annual Report 2020-21.**

This is to inform that the 23<sup>rd</sup> Annual General Meeting ("AGM") of the members of the Company will be held on Wednesday, 4<sup>th</sup> August, 2021 at 11.30 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.


Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2020-21 including the Notice convening AGM which is being sent to the members through electronic mode.

The Annual Report including Notice is also uploaded on the Company's website at [www.cera-india.com](http://www.cera-india.com).

We hope you will find the same in order and take the same on records.

Thanking you,

Yours faithfully,  
For **Cera Sanitaryware Limited**,

  
Hemal Sadiwala  
Company Secretary  
Encl: as above



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## Cera Sanitaryware Limited

**Corporate Office:** 7<sup>th</sup> & 8<sup>th</sup> Floors, B Wing, Privilon, Ambli BRTS Road, Iskcon Crossroads, Ahmedabad 380059, India  
Tel: +91 79 49112222 Email: [marketing@cera-india.com](mailto:marketing@cera-india.com) Web: [www.cera-india.com](http://www.cera-india.com)

**Registered Office & Works:** 9, GIDC Industrial Estate, Kadi 382715, District Mehsana, North Gujarat

CIN: L26910GJ1998PLC034400

# CERA

## LEADING THE **GREEN AND SUSTAINABLE** PRODUCT REVOLUTION.



Cera helps you to save water



Siphonic Jet Flush



Clean Rim

### ANNUAL REPORT **2020-21**



WEP Green



GRIHA Certified



Rimless



# INVESTING IN A GREEN FUTURE.

- 90% of our products are manufactured through non-conventional energy.
- Cera products save upto 40% water.

## Carlton

A modern marvel, saves upto 40% water. Rimless technology for easy cleaning and glaze trap for better hygiene.



## Carnival Rimless

Seamless design. Water saving product, with rimless technology.



## Capitol

Straight line water saving product with features like glazed trap and rimless technology.



## Cartin

Contoured water saving design. Loaded with features like siphonic flush, nano technology and glazed trap.



## Sensor Tap

70% water saved in every use. It is touch-free, so nothing unwanted touches humans.

## Brooklyn

Ergonomic design, saves upto 30% water.



## Compass

Revolutionary water saving design.



## Cicily

Water saving and touch free sensor urinal. The lidless design is also a Cera patented design.



**Board of Directors**

Shri Vikram Somany	- Chairman and Managing Director
Smt. Deepshikha Khaitan	- Joint Managing Director
Shri Sajan Kumar Pasari	- Independent Director
Shri Lalit Kumar Bohania	- Independent Director
Shri Surendra Singh Baid	- Independent Director
Shri J. K. Taparia	- Independent Director (upto 6 <sup>th</sup> February, 2021)
Ms. Akriti Jain	- Independent Director
Shri Ayush Bagla	- Executive Director
Shri Atul Sanghvi	- Executive Director & Chief Executive Officer

**Chief Financial Officer**

Shri Rajesh B. Shah

**Company Secretary**

Shri Hemal Sadiwala

**Bankers**

State Bank of India

**Auditors**

N. M. Nagri & Co.,  
Chartered Accountants,  
Ahmedabad.

**Registered Office**

9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.  
www.cera-india.com; Phone : (02764) 242329, 243000  
E-mail : kadi@cera-india.com; CIN : L26910GJ1998PLC034400

**Corporate Office**

7<sup>th</sup> & 8<sup>th</sup> Floor, B Wing, "PRIVILON", Ambli BRTS Road, ISKCON Cross Roads, Ahmedabad - 380 059.

**Works**

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

**Registrar & Share Transfer Agent**

MCS Share Transfer Agent Limited  
201, Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009.

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**23<sup>rd</sup> Annual General Meeting at 11.30 a.m. on Wednesday,  
the 4<sup>th</sup> day of August, 2021 through Video Conferencing / Other Audio Visual Means.**

## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Wednesday, the 4<sup>th</sup> day of August, 2021 through Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Standalone and Consolidated Audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 including statement of Profit and Loss and Cashflow Statement for the year ended 31<sup>st</sup> March, 2021, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on Equity Shares for the financial year 2020-21.
3. To appoint a director in place of Shri Ayush Bagla (DIN – 01211591), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration of ₹ 81,000/- p.a. plus out of pocket expenses and applicable taxes, if any for the financial year ending 31<sup>st</sup> March, 2022, as recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to K.G. Goyal & Co., Cost Accountants for conducting the Audit of the Cost records of the company be and is hereby ratified and confirmed.

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

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules, if any and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, consents or permissions of any authority as may be necessary, approval of the members of the Company be and is hereby accorded for entering into transaction with Anjani Tiles Limited, a Subsidiary Company, being related party as defined under Section 2(76) of the Companies Act, 2013, for purchase of goods, materials and job work, if any, on such terms and conditions as may be mutually agreed upon between the Company and Anjani Tiles Limited, Subsidiary Company for an amount not exceeding in aggregate ₹ 150 Crores (Rupees One Hundred and Fifty Crores only) in each financial year for next three financial years.

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

Regd. Office :

9, GIDC Industrial Estate,

Kadi – 382 715

Dist. Mehsana, Gujarat.

10<sup>th</sup> June, 2021

CIN : L26910GJ1998PLC034400

By Order of the Board of Directors

**For Cera Sanitaryware Limited**

**Hemal Sadiwala**

Company Secretary

(ACS:20741)

**NOTES**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional /Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@parikhdave.com](mailto:evoting@parikhdave.com) with a copy marked to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.com).
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MCS Share Transfer Agent Limited, Ahmedabad in case the shares are held by them in physical form.
5. The Register of Members and Share transfer book of the Company will remain closed from Tuesday 20<sup>th</sup> July, 2021 to Tuesday 27<sup>th</sup> July, 2021 (both days inclusive).
6. The Board of Directors has recommended a dividend of ₹ 13/- (260%) per fully paid equity share of ₹ 5/- each for the year ended 31<sup>st</sup> March, 2021.
7. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.

8. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2012-13 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the financial year 2013-14 onwards are advised to write to the Company immediately for claiming dividends declared by the Company.

Financial Year	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF Account
2013-14	22-08-2014	100%	22-09-2021
2014-15	30-07-2015	125%	30-08-2022
2015-16	29-07-2016	180%	29-08-2023
2016-17	27-07-2017	240%	27-08-2024
2017-18	30-08-2018	240%	30-09-2025
2018-19	31-07-2019	260%	30-08-2026
2019-20*	14-02-2020	260%	14-03-2027

\* Interim Dividend

9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, the Company has issued Newspaper advertisement on 20.06.2020 and Company has sent individual notices to the shareholders on 18.06.2020 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares have been transferred to the Investor Education and Protection Fund on 18.09.2020. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in). Such shareholders are requested to claim their shares and unclaimed / unpaid dividend immediately.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM alongwith the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.cera-india.com](http://www.cera-india.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) & National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and notice of AGM on the website of CDSL : <https://www.evotingindia.com>. Members who have not registered their email address are requested to get their email address registered with their DP in case the shares are held in electronic mode and with Company's Registrar and Share Transfer Agent - MCS Share Transfer Agent Limited,

Ahmedabad in case shares are held in Physical Form. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.

12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 24<sup>th</sup> July, 2021 through email on [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com). The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 28<sup>th</sup> July, 2021 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting. The copy of register of Directors, Key Managerial Personnel and their shareholding maintained under The Companies Act, 2013 will be available for inspection by the members on request by sending an e-mail to the company.
15. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be used by the Company for payment of Dividend. Members who are holding shares in electronic mode are requested to make sure, that they have updated details of Bank Account Number, Name of Bank, Branch address, MICR Code, IFSC Code with their respective depository participant. The Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account. In case the Company is unable to pay the dividend to any Shareholders by the electronic mode, due to non-availability of the complete details of the Bank account, the Company shall dispatch the dividend warrants to such Shareholders by post.
16. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through e-mail on or before 10 days of book closure. For the detailed process, the information is available on the Company's website at [www.cera-india.com](http://www.cera-india.com).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to [ceragreen@cera-india.com](mailto:ceragreen@cera-india.com) latest by 24<sup>th</sup> July, 2021.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax residency Certificate, Form 10F, any other documents which may be required to avail the tax treaty benefits by sending an email to ceragreen@cera-india.com, on or before 24<sup>th</sup> July, 2021.

17. Brief resume of directors, who are proposed to be appointed /re-appointed at this meeting are given below:

Name of Director	Shri Ayush Bagla
DIN	01211591
Date of Birth	10.09.1973
Date of Appointment	18.04.2018
Qualification	B.A. (Management) from Franklin & Marshal College (USA)
Brief Resume and Nature of expertise in specific functional areas	He has having rich experience of more than 2 decades in providing Financial Services, Assets Management, Project Management etc.
List of other Directorships	- Seaside Real Estate Pvt Ltd - Paradigm Finance Limited
Chairman / Member of the Committees of the Board of other Companies	NIL
Terms and conditions of re-appointment	N.A
Disclosure of relationship between Director Inter-se	Not Related to any Director.
Shareholding in the Company	Nil
No. of Board Meetings attended during FY 2020-21	5

#### 18. INSTRUCTION FOR E-VOTING AND JOINING THE AGM:

- a) 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 13<sup>th</sup> January, 2021 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's 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.
- b) The Members can join the AGM in the VC / OAVM mode 15 minutes before and after 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 served 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.

- c) 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.

- d) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.

#### e) THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period will begin on 1<sup>st</sup> August, 2021 and will end on 3<sup>rd</sup> August, 2021. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 28<sup>th</sup> July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Pursuant to above said SEBI Circular, 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</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) <b>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</b></li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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</li> </ol>

	<p>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> <ol style="list-style-type: none"> <li>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></li> <li>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 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</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</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 022- 23058738 and 22-23058542-43.
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 toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in Physical Form and shareholders other than individual shareholders holding shares in Demat form / physical 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:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant <Cera Sanitaryware Limited> on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### (vi) INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- 1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- 2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- 4) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; company email id i.e. ceragreen@cera-india.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**(vii) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- 1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN(self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/ RTA email id.
- 2) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**(viii) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- 1) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 2) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 3) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 4) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number

at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e.ceragreen@cera-india.com). These queries will be replied to by the company suitably by email.

- 5) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 6) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
- 7) 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 or call on 022-23058542/43.

**(ix) INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM 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 Remote 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 Remote e-voting.
  - 3) Only those shareholders, who are present in the AGM through VC/OAVM facility and who 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.
  - 4) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - 5) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
19. Shri Umesh Parikh, Partner of Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
  20. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote

evoting in the presence of at least two witnesses not in the employment of the company and make, not later than two working days from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

21. The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company at 9, GIDC Industrial Estate, Kadi - 382715. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cera-india.com and on the website of CDSL immediately and communicated to the NSE and BSE.

#### Statement pursuant to provisions of Section 102 the Companies Act, 2013.

##### Item No. 4

The Board of Directors on the recommendation of the Audit Committee has appointed Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022 and approved the payment of remuneration payable to them.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022.

The Board of Directors recommends the Ordinary Resolution as per item no. 4 of the accompanying notice for approval of the members of the Company.

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

##### Item No. 5

The Company in the ordinary course of its business is entering into transactions relating to Purchase of goods, materials and Job work including tiles from various parties. Anjani Tiles Limited, Subsidiary Company is related party within the meaning of Section 2(76) of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has entered into agreement with Anjani Tiles Limited for purchase of its entire production of Tiles.

The transactions with the aforesaid related party are entered into in the ordinary course of business and on arm's length price. The prior approval of audit committee is also obtained for the said transaction to be entered into with the Anjani Tiles Limited. However, for abundant caution and as a good corporate practice, your directors thought it fit to get the approval of members.

The Shareholders have approved the arrangement of purchase of tiles etc. from Anjani Tiles Limited, a Subsidiary company at its Annual General Meeting held on 30<sup>th</sup> August, 2018 for the period from 01.04.2018 to 31.03.2021. So now it is proposed to get the approval of shareholders for the further period of 3 years.

Details of proposed transactions relating to purchase of tiles from Anjani Tiles Limited for period of three years with effect from 1<sup>st</sup> April, 2021 will be on following terms and conditions:

The particulars of the contracts / arrangements / transactions areas under:

Name of the Related Party	Anjani Tiles Limited
Name of Director(s) or KMPs who is/are related	Shri Atul Sanghvi Shri S.S. Baid Shri Rajesh B. Shah. Nominated by Cera but does not have any personnel beneficial interest
Nature of Relationship	Subsidiary Company
Nature of contracts/ arrangements/transactions	Purchase of Tiles, goods, materials and job work
Material terms of the contracts/ arrangements/ transactions	At prevailing prices on arm's length basis and on Industry practice terms
Monetary Value	Up to ` 150 Crores in each financial year for next 3 financial years i.e. from 01-04-2021 to 31-03-2024
Any other information relevant or important for the members to make a decision on the proposed transactions	None

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 5 of the notice for approval of related party transactions.

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

Except Shri Atul Sanghvi, ED & CEO, Shri S.S. Baid, Director and Shri Rajesh B. Shah, CFO & COO (Fin and Comm.) none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item no. 5 of the Notice

Regd. Office :

9, GIDC Industrial Estate,

Kadi – 382 715

Dist. Mehsana, Gujarat.

10<sup>th</sup> June, 2021

CIN : L26910GJ1998PLC034400

By Order of the Board of Directors

**For Cera Sanitaryware Limited**

**Hemal Sadiwala**

Company Secretary

(ACS:20741)

## Directors' Report

To  
The Members,

The Directors have pleasure in submitting the 23<sup>rd</sup> Annual Report together with the Audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2021.

**Performance**

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

	(` in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before Depreciation and Taxes & Exceptional item	<b>16,747.52</b>	17,328.16
Deducting there from Depreciation of	<b>3,323.04</b>	3,267.32
Profit before Tax	<b>13,424.48</b>	14,060.84
Deducting there from taxes of:		
- Current Year	<b>3,279.05</b>	3,712.25
- Deferred Tax	<b>15.10</b>	(1,245.64)
Profit for the year	<b><u>10,130.33</u></b>	<u>11,594.23</u>
Add/Less: Other comprehensive Income (Net of tax)	<b>20.44</b>	(148.66)
Total Comprehensive Income for the year.	<b><u>10,150.77</u></b>	<u>11,445.57</u>

**Transfer to Reserves**

The Company has transferred a sum of ` 5460.46 Lakhs to General Reserve in the current year (previous year ` 5967.05 Lakhs).

**Highlights / Performance of the Company**

Turnover (Net of GST) of the Company for the year decreased by 0.40% to ` 1,19,934.60 Lakhs as compared to ` 1,20,412.13 Lakhs previous year.

Profit before Depreciation and Taxes & Exceptional Items for the year decreased by 3.35% to ` 16,747.52 Lakhs as compared to ` 17,328.16 Lakhs previous year.

Profit after Tax for the year decreased by 12.63% to ` 10,130.33 Lakhs as compared to ` 11,594.23 Lakhs previous year.

**COVID-19**

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations of the Company were impacted due to nationwide lockdown imposed by the Government of India from 25<sup>th</sup> March, 2020 and continued upto 18<sup>th</sup> May, 2020, after which the lockdown was lifted in a phased manner. The manufacturing and sales activities came to a grinding halt.

Your Company was able to overcome the unprecedented situation by adapting quickly to the new norms of functioning and bringing out Covid-appropriate products.

The management has considered the impact of COVID-19 on its profitability, liquidity, supply chain, receivables, inventories, other financial assets and investments.

Even after the on-going second wave of COVID-19 and the expected third wave, your Company believes that the recovery of economy in general and housing construction in particular will be better. Based on the internal and external sources of information including credit reports and related information and economic forecasts, the management believes that the impact is likely to be short term in nature and there does not seem to be any medium to long term risks in the Company's ability to recover the carrying amount of these assets in near future.

However, the management will continue to closely monitor any material changes to future economic conditions.

The implications of COVID-19 are not consistent among different countries or even among different regions of India, making it extremely difficult to project an outlook. Therefore, it is not possible at this point of time to provide business outlook of the industry in post lockdown situation in the country.

**Sanitaryware Unit**

During the year, your Company's growth was affected due to the nation-wide lockdown after the outbreak of COVID-19.

After the lifting of lockdown, shortage of workforce restricted its production from reaching its optimum capacity. There was also an illegal stoppage of work by a section of workforce for 85 days, which ended with the Hon'ble High Court's order for resumption of work.

Your company continued to develop new designs of one piece WCs and high-end wall hung WCs, thereby reducing the dependence on import of such products.

Several Covid-appropriate products like rimless WCs, sensor urinals, etc. were rolled out by Sanitaryware unit.

In order to increase the touch points and to enhance the customer experience, your Company has invested in increasing the Cera Style Centres, owned and managed by retailers, in more towns.

Your Company has been in the forefront of technology and automation. After successful implementation of 3D printing and robotic glazing technologies, your Company has now added high pressure casting system. These will give your Company a technological edge.

**Faucetware Unit**

Your Company expects higher growth in the coming times in its Faucets business. With this in view, launching of new designs is being done at regular intervals, in tune with the changing market needs.

Several Covid-appropriate products like sensor faucets, foot-operated taps, etc. were conceived, developed and produced by Faucetware division.

**Bathware Unit**

Your Company continued launches of new products and designs.

New Covid-appropriate products like anti-bacterial seat covers were developed and launched.

**Senator by CERA**

Distribution of your Company's premium offering, Senator, aimed at discerning customers has been widened, to reach more customers.

**JEET**

New products have been added in JEET, your Company's sanitaryware range aimed at affordable segment.

**ISVEA**

The Italian luxury designer sanitaryware, ISVEA, launched by your Company, exclusively in India, is expected to take off in sales after the Covid pandemic.

**Modular Kitchens**

Sales of Senator Cucine, Italian modular kitchens, launched by your Company, should hopefully take off after the pandemic.

**Tiles Unit**

Your company made rapid strides in the Tiles segment by launching new designs Slabs, large format sizes of 1200x2400mm, 1200x1200mm and 800x1600mm and also new designs and sizes in both floor and wall categories.

**Joint Ventures**

Company has entered into a Joint Venture with Anjani Tiles Ltd at Andhra Pradesh with 51% Equity (since 2015) and Milo Tiles LLP (earlier Crown Ceramics—an established production facility) at Morbi, Gujarat with 26% Equity (since 2019) for producing high end Glazed Vitrified Floor Tiles aggregating to 16000 Sq. Mtr. per day.

**Packaging Unit**

The Joint Venture unit for manufacture of corrugated boxes has now achieved stabilized production. The products are now available on a just in time basis, built to the exact specifications for the Company. The capacity utilization has increased considerably during the year. CERA holds an Equity of 51%.

**Polymer Unit**

The Joint venture for Polymer Products unit for manufacturing of seat covers and cisterns has stabilised its production during the year. Cera holds 51% Equity. The quality products are available and capacity utilization has increased gradually during the year.

**Dubai operations**

As business conditions in the Gulf Countries have changed, so has the company's strategy. The Company owned (25% share) Cera Sanitaryware Trading LLC - Dubai, UAE is no more required. The Board of Directors at their meeting held on 5<sup>th</sup> August, 2020 had approved discontinuance of the business operations of Cera Sanitaryware Trading LLC - Dubai, UAE and now all formalities for its closure have been started and it is in process.

**Green Energy Unit**

As a part of national policy and Green initiative, which was initiated in 1995, Company has stabilized power cost by generation of electricity through non-conventional sources for captive use through wind and solar.

The current installed capacity of Non-Conventional Energy unit of the Company stands to 10.325 M.W.

The non-conventional Wind and Solar Power has produced 140.81 lakhs KWH for captive use.

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

The Company has two sources of its main energy, viz. Natural Gas - GAIL and Sabarmati Gas Ltd., for operating its Sanitaryware plant. The pricing of both sources differ, as GAIL sources gas from isolated wells in and around Cera's manufacturing facility, and is able to contract gas at a lower price over prevailing market pricing. Medium term contracts with these suppliers are renewed on a

periodic basis. For energy conservation, the company has installed fuel efficient burners to control gas consumption and in addition to this, every effort is made by the company to adapt any technological developments in energy conservation.

The second energy, viz. electricity, required for running the machineries, is supplied by the local Discom. To compensate the energy consumption by way of electricity, your Company has an installed capacity of Wind Turbines of 8.325 MW and Solar Plants of 2.00 MW which generates about 95% of the company's electricity requirement and this gets offset against monthly consumption of the energy bill.

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

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

**Subsidiary Company**

The Company has one Subsidiary Company namely Anjani Tiles Limited which became subsidiary of the Company w.e.f. 23<sup>rd</sup> November, 2015. The Company also has two subsidiary LLP viz. Packcart Packaging LLP and Race Polymer Arts LLP.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiary. The Company does not have any material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link <https://www.cera-india.com/corporate/policy-for-determining-material-subsubsidiary/>.

Those Shareholders who are interested in obtaining a copy of the audited annual financial statements of the subsidiary may write to the Company. The Audited financial statements of all subsidiaries are available on the website of the Company [www.cera-india.com](http://www.cera-india.com)

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 with rules made thereunder and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has prepared consolidated financial statements of the Company and salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1 attached herewith as a separate **Annexure - IV** to this Annual Report.

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

All transactions entered with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis, the details of which are included in the notes forming part of the financial statements.

There were no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. Further no materially significant related Party transactions were made by the Company with Directors, Key Managerial Personnel or other designated Persons, which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also the Board for approval. The Policy on related Party transactions as approved by the Board is uploaded on the Company's website i.e. [www.cera-india.com](http://www.cera-india.com).

### Corporate Social Responsibility

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities.

Following this principle the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website i.e. [www.cera-india.com](http://www.cera-india.com). As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year.

The Annual Report on Corporate Social Responsibility (CSR) Activities alongwith Annexure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate **Annexure-V** and separate activity wise CSR Report has been annexed as per **Annexure-II**.

### Directors' Responsibility Statement

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

- ❖ that in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ❖ that such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2021 and of the Profit of the Company for the year ended on that date.
- ❖ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ that the annual accounts have been prepared on a going concern basis.
- ❖ that internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- ❖ that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Managerial Remuneration and Employees

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

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

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

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

### Corporate Governance and Management Discussion and Analysis

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance along with Practicing Company Secretary's Certificate on its compliance and Management discussion and Analysis have been included in this Annual Report as per separate **Annexure-VII** and **Annexure-I** respectively.

### Business Responsibility Reporting

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

### Number of Meetings of the Board

The Board of Directors, during the financial year 2020-21 duly met 5 times on 04.06.2020, 30.06.2020, 05.08.2020, 10.11.2020 and 02.02.2021 in respect of these meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Copy of Annual Return of the Company for the financial year ended March 31, 2021 will be placed on the Company's website at [www.cera-india.com](http://www.cera-india.com).

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

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

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

### Risk Management Policy

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

Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy. The Committee shall also review cyber security matters of the company at various levels and also take necessary actions from time to time to mitigate the cyber risk to the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

The Risk Management system is also overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis. For details please refer to the Management Discussion and Analysis enclosed as separate **Annexure - I** to this report.

### Audit Committee

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

### Internal Control System and its adequacy

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

### Dividend

Your Directors recommended a dividend of ₹ 13/- per share (260%) (Previous year Interim Dividend of ₹ 13/- per share (260%)) on 1,30,05,874 equity shares of ₹ 5/- each fully paid for the year ended 31.03.2021, to be paid subject to the approval of the members at the ensuing Annual General Meeting.

During the year, the unclaimed dividend pertaining to the financial year ending 2012-13 were transferred to the Investor Education and Protection Fund.

### Share Capital

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 was ₹ 650.29 Lakhs. During the year under review the Company has not issued any shares.

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

During the year the Company has transferred 4722 Equity Shares to Investor Education and Protection Fund, pursuant to the provisions of sections 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

### Exchequer

The Company has contributed ₹ 12,846 Lakhs to the exchequer by way of GST, customs duty, service Tax, income tax, VAT, sales tax and other fiscal levies.

### Deposits

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

### Finance

During the year under review, the Company does not have any long term loans/debts from Financial Institutions and Banks.

During the year there is not default in payment of loan from Bank or Financial Institution, therefore details of difference between amount of valuation done at the time of one time settlement and valuation done while taking loan from bank or financial institutions is not applicable.

### Directors and KMP

Shri Sajankumar Pasari, Shri Lalitkumar Bohania, Shri Surendra Singh Baid and Ms. Akriti Jain are the Independent Directors of the Company and they will not retire by rotation. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Company keeps

informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities.

Due to personal reasons and other professional commitments, Shri J. K. Taparia has resigned as Director of the Company w.e.f. 6<sup>th</sup> February, 2021. The Board placed its warm appreciation for the contribution made by him as a director during the tenure on the Board of the Company.

Shri Ayush Bagla (DIN-01211591), is liable to retire at the end of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resume of the director who is proposed to be reappointed at the ensuring Annual General meeting, as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening this Annual General Meeting of the Company.

The resolutions proposing the reappointment of the Director is set in the notice convening Annual General Meeting for approval of members.

### Board Evaluation

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

The performance of Non-Independent Director (including the chairperson) and the Board as whole was also evaluated by the Independent Directors at the separate meeting of Independent Directors of the Company. The Directors expressed their satisfaction with the evaluation process.

### Policy on Directors appointment and remuneration

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

### Independent Directors

- Qualifications of Independent Director

An Independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

- Positive attributes of Independent Directors

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

- Independence of Independent Directors

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



### Other Directors and Senior Management

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

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

Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director(s) and Non-Executive Directors) are attached as a separate **Annexure-VII** to this Report.

### Remuneration / commission from Holding or Subsidiary Company

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

### Remuneration Policy

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

### Auditors and their Observations

N. M. Nagri & Co., Chartered Accountants are the statutory auditors of the Company. They are appointed for a period of five years, from the conclusion of 19<sup>th</sup> AGM till the conclusion of the 24<sup>th</sup> AGM (AGM of financial year 2021-22).

Pursuant to amendment to section 139 of the Companies Act, 2013 effective from May 7, 2018, ratification of Statutory Auditors' appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of Statutory Auditors is not proposed.

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

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

### Cost Records and Cost Auditors

The Company is required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

The Company has appointed K.G. Goyal & Co., as Cost Auditors for conducting cost audit for the year 2021-22.

### Secretarial Audit

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company had appointed Parikh Dave & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year 2020-21.

The Secretarial Audit Report for the year 2020-21 given by Parikh Dave & Associates, Company Secretaries in practice is annexed with this report.

The Company is complying with the applicable Secretarial Standards.

### Insurance

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

### Industrial Relations

The Company has successfully signed a Long-Term Settlement (LTS) under section 12(3) of Industrial Disputes Act, 1947, for 4

years with workers Union on 4<sup>th</sup> August, 2017 which was due on 01<sup>st</sup> September, 2017. The LTS was signed in harmonious environment and without any labour unrest and loss of production. The next LTS will fall due on 01<sup>st</sup> September, 2021.

The Company has adequate skilled & trained workforce for its various areas of operations and the skills upgradation of which is being done on continuous basis for improving the plant operations and quality process.

The Company has taken sufficient measures to maintain Industrial Health and Safety at its workplace for employees as laid in the Gujarat State Factories Rules, 1963. The Company is also complying and maintaining all applicable Industrial and Labour laws/ rules.

The manufacturing activities in respect of Sanitaryware Unit have been materially affected, while that of Faucetware Unit have been affected marginally as a result of partial disruption by workers at the Company's plant located at Kadi, from September 28, 2020 to December 22, 2020. During the said period, dispatches were continued as usual. This has moderately impacted the financial performance of the Company for the current financial year.

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. The Company has not received any complaints during the year under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has organized 2 workshops under the said Act during the year under review.

### Material changes affecting financial position of the Company

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2021 and the date of the Board's Report.

There is no application pending under the Insolvency and Bankruptcy Code 2016 against the Company.

### Change in nature of business

No changes have been made in nature of business carried out by the Company during the financial year 2020-21.

### Orders passed by Regulatory Bodies or Courts

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

### Vigil Mechanism

The Company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate **Annexure-VII**.

### Appreciation

Your Directors thank the Financial Institutions and Bankers for extending timely assistance in meeting the financial requirements of the Company. They would also like to place on record their gratitude for the co-operation and assistance given by State Bank of India and various departments of both State and Central Governments.

For and on behalf of the Board of Directors,  
**For Cera Sanitaryware Limited**  
**Vikram Somany**  
 Chairman and Managing Director  
 (DIN:00048827)

Ahmedabad.  
 10<sup>th</sup> June, 2021

**Annexure - I to the Directors' Report****Management Discussion and Analysis**

As you are aware, your Company was in an unprecedented situation, like almost all other manufacturing companies, in the fiscal year 2020-21. Your Company quickly adapted to the new norms and made it the new normal, which helped your Company overcome the situation with minimal effect.

Firstly, there was a nation-wide lockdown, bringing the production and sales to a grinding halt. Your Company used work from home situation to its advantage, creating awareness about the pandemic not only amongst its employees but also its business associates—suppliers, trade partners, designers, architects, consultants, developers, and end-users. Digital campaigns were used extensively for creating this awareness.

Once the lockdown was lifted partially and production and sales resumed, the emphasis was on safety of workforce and traders. The entire factory and office premises were periodically sanitised and all employees were screened at the entrance. All Covid-19 protocols like social distancing, wearing of mask, temperature check, hand sanitisation, etc. were strictly followed in manufacturing units as well as sales offices.

Your Company had nurtured suppliers because of which even when own production was affected due to an illegal strike resorted to by a section of workforce which lasted 85 days, the supplies to market was less impacted. The entire workforce restarted the work, after the Hon'ble High Court of Gujarat issued an order to the leaders of the striking section of workers that the production cannot be hampered.

Your Company helped Covid warriors by keeping its canteen in the factory working throughout the lockdown period. Your Company also contributed ₹ 24.69 Lakhs to PM Cares Fund.

Since physical travels and personal meetings were not advisable even after the lockdown was lifted, your Company continued the new normal of digital meetings with employees, trade partners, designers and even end users for introducing new products.

Cera Style Studios, your Company's display centres, changed as online display portal. Anyone could book an appointment and see the products online through a guided video call.

Digital platforms like MS Teams were used for imparting training to your Company's technicians and sales personnel and also to sales personnel of trade partners. These digital platforms were also used for dissemination of information on new product developed and launched by your Company to even designers, architects, builders and consultants.

With these concentrated efforts, your Company was able to attain the topline matching to previous fiscal, despite unprecedented halts in production and sales for several months.

**1. Right product mix:**

Your Company was quick in conceiving, developing, manufacturing and rolling out Covid-appropriate products in the shortest time, like:

- a) Sensor faucets
- b) Foot operated faucets
- c) Anti-bacterial seat covers
- d) Rimless WCs
- e) Sensor urinals

**2. Use of high tech in manufacturing:**

Your Company has been in the forefront of co-creating indigenous technology for production, like 3D printing, robotic glazing, etc.

Your Company also implemented high pressure casting, for high end wall hung WCs, which could produce thirty pieces from one mould in a day, as compared to one piece by one worker in a day from conventional casting systems.

In Faucetware too, induction of high tech machines has helped increase production.

**3. Constant brand promotion:**

Your Company continued its brand promotion using television as well as digital platforms. Digital platforms were used to narrow-cast its ads to relevant target audience, thereby reducing the media wastage.

Making the product and brand visible through retail outlets has always been your Company's motto. Your Company does periodic audit of its retail outlets to ensure that the branding and product display are intact.

**4. After-Sales Service:**

Your Company's CERA Care team of technicians, with a 24-hour toll free call centre, and timely on-site service from the technicians to individual customers, has been one of its key strengths in generating customer loyalty and helping it garner word of mouth publicity.

Even during lockdown, CERA Care team members continued to connect to the needy customers and provide online solutions.

**5. Company Display Centres:**

For providing touch and feel experience to customers, the Company - managed large format CERA Style Studios in selected cities, while dealers own and operate CERA Style Galleries and CERA Tile Galleries. In case of retailers owned customer touch points, CERA Style Centres and CERA Tile Centres provide customers not only an insight of your Company's products, but also a delightful shopping experience.

The CERA Style Studios operated as digital display centres with guided tour of the products for customers who did not want to visit the showrooms.

**6. Manpower Training:**

Your Company constantly imparts training to not only its own sales and service teams, but also to its dealers' and sub-dealers' salesmen. During the lockdown period and also in subsequent period, the training was conducted digitally.

**7. Industry Structure and Developments:**

Your Company is present in all segments—from affordable to luxury.

**8. Opportunities and Threats:**

After the lockdown was lifted, there was surge in demand. With the second wave of Covid (and presumably another third wave expected in the second half of this year), there would be an increase in demand for housing, giving the boost to the demand of your Company's products.

**9. Outlook:**

Your Company has been a preferred partner of CREDAI (Confederation of Real Estate Developers Associations of India), the apex body of developers, for the last seven years. Your Company also works closely with influencers and their associations like IIA (Indian Institute of Architects), IIID (Institute of Indian Interior Designers) and IPA (Indian Plumbing Association).

**10. Risks and Concerns:**

Any drastic change in Government policy may affect your Company.

**11. Internal Control Systems and their adequacy:**

The Company has an adequate system of internal financial controls with reference to the financial statements and also relating to the purchase of stores, raw materials, plant & machineries, equipment and various components and for the sale of goods commensurate with the size of the Company and the nature of business.

The system of internal control of the Company is adequate keeping in mind the size and complexity of your Company's business. Systems are regularly reviewed to ensure effectiveness. The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report on the internal audit function, necessary corrective actions in the respective areas are taken and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the audit committee of the board.

**12. Key Financial Ratios: (in times / %)**

Sr. No.	Ratio	2020-21	2019-20
1.	Debtors Turnover	<b>6.61</b>	5.49
2.	Inventory Turnover	<b>3.46</b>	3.05
3.	Interest Coverage Ratio	<b>32.46</b>	32.94
4.	Current Ratio	<b>2.60</b>	2.52
5.	Debt Equity Ratio	<b>0.47</b>	0.46
6.	Operating Profit Margin %	<b>11.53%</b>	11.99%
7.	Net Profit Margin %	<b>8.43%</b>	9.59%
8.	Return on Net Worth %	<b>11.58%</b>	15.00%

**13.** Financial performance with respect to operational performance is discussed in the main part of the Report.

**14. Material Developments in Human Resources, Industrial Relations, Environment, Health & Safety:**

Faced with the shortage of quality manpower, the thrust of your Company has been on talent improvement through training programmes.

Your Company continues to invest in training and development of its employees and has been organizing various training programmes from time to time. CERA's manpower strength as on March 31, 2021 stands at 2473.

The Company is ISO9001, 14001 and BS 18001 certified.

Your Company is also a member of Indian Green Building Council (IGBC), promoted by Confederation of Indian Industry (CII).

Ahmedabad.  
10<sup>th</sup> June, 2021

**Vikram Somany**  
Chairman and Managing Director  
(DIN : 00048827)

**Annexure - II to the Directors' Report****Activity wise Corporate Social Responsibility (CSR) initiatives:****Empowering Society; Empowering Ourselves**

Real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. Your Company believe strongly in core values of empowerment and betterment of not only the employees but also communities. Following this principle, Late Shri Vidush Somany your Company's Executive Director had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of surrounding communities.

**During the financial year CERA has undertaken following projects:**

- Contributed ` 24.69 lakhs to PM Cares Fund in support of the objective of the fund to strengthening the fight against COVID-19.
- Continued the support to Bhagyoday Hospital Kadi in memory of Late Shri Vidush Somany for the welfare of poor and needy patients of Kadi & from nearby area. This year the contribution was used for installing Oxygen Generator Plant which was the need of the hour due to ongoing COVID-19 pandemic.
- Contributed ` 230 lakhs out of total committed ` 650 lakhs towards construction of new engineering college named as "Vidush Somany Institute of Technology and Research" in the campus of "Sarva Vidyalaya Kelavani Mandal". Kadi (SVKM) with a total capital outlay of ` 4212 Lakhs. The total committed contribution has been paid in full. This institute will conduct initially five branches of engineering, viz. Ceramic Technology, Computer Engineering, Information Technology, Civil and Mechanical Engineering. The said college is in full operations. The new branches will be added after the year as per the guidelines of AICTE.

- Undertaken about 10000 plus plantation and maintenance on road divider about 11 K.M. from Chhatral to Kadi.
- Continued the contribution to "Annamrita Foundation"- Kolkata, for providing mid-day meals to 1100 needy children daily.
- Contribution to Rotary Children's Welfare Trust to create facilities for underprivileged children, renovation of building for women empowerment training, providing benches & medical equipment for children.
- Contribution made to Basu Foundation for upliftment of Arts.
- Contribution made for the support to Old Age and Widows, provided daily lunch to needy and support given to Girls hostel for education and food.

Cera initiated "Swatchh Bharat Abhiyan" programme in the month of December 2019 at Kadi-Chhatral highway, which was further supported by local Nagar Palica, APMC and local students. Total 300 plus collage students have participated in this mission.

Due to COVID-19 pandemic which prevailed during the entire year, our regular CSR activities to various agencies like vocational coaching for students, women empowerment in nearby areas, Divyanagri Program for upliftment of children from slum etc could not take place in support of the guidelines issued by State & Central Government.

Ahmedabad.  
10<sup>th</sup> June, 2021

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

**Annexure - III to the Directors' Report**

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Report of the Board of Directors for the year ended 31<sup>st</sup> March, 2021.

**A. Energy Conservation**

Discussed in main report

**B. Technology Absorption**

High pressure casting technology.

**Research and Development (R & D)**

1. Specific areas in which R & D is carried out : The Company's Research & Development Unit recognized by the Department of Scientific and Industrial Research (DSIR), Government of India, since 1989 has been relentlessly working for the improvement in quality of sanitary ware products, cost reduction through the use of new and cheaper raw materials, waste materials, changes incorporated in their quality specifications, minimizing wastes and losses at different stages of production, recycling of unfired and fired wastes generated in production as well as pollution abatement to keep the company ahead of market competition.

Some innovative R&D activities carried out and commenced commercial production during the year under report are:

- ❖ Introduced automatic high pressure casting technology in our production. We receive highly finished and best quality product from this technology. As well as we are getting much higher productivity from this as compared to manual casting. High pressure casting method reduces production times significantly. Also this decreases manual dependency. Now we are looking for installation of more high pressure casting unit to enhance our production and giving best quality products to the market.
- ❖ Ramp up Robotic Glazing System in our production. This gives us more controlled and uniform glaze coating on the sanitary ware as compared to manual glazing. This type of uniform glaze coating provides better aesthetic look of final products. Robotic glazing reduces our dependence on manual labour. These are the highly advanced robotic systems with sophisticated control mechanism.
- ❖ Development of biscuit fired shrinkage plate tiles. This tiles reduces squat, undulation, foot crack of critical items by loading on it. Especially quality of wall hung products has improved significantly by using this.
- ❖ Also in our final product quality, we have introduced automatic leakage detection test and overflow test. These tests help us to improve our functional quality of final products.
- ❖ We have introduced different colours of silk glazes which enhance our uniqueness as well as verity and versatility.
- ❖ New state-of-the-art R&D centre has been inaugurated in Kadi factory premises. The centre boasts of advanced test equipment for material science and ceramic technology. This Centre of Excellence is designed to keep the R&D activity as a strategic initiative. This will help us keep at the forefront of innovations in the Sanitaryware Industry worldwide. This centre is DSIR, Govt. of India, approved.
- ❖ Under the initiative of 'Waste Minimization and Waste Utilization', numerous measures have been taken. This includes recycling of solid and liquid, ZLD (zero liquid discharge) plant, high energy efficient rated machines, compliance to pollution norms, awareness-generation among employees etc.
- ❖ In keeping with our eco-friendly tradition, Cera has developed 04 litres flushing system with same effectiveness as 06 liters flushing system. By 30% reduction in water consumption, this technology will help to save precious water. We have also reduced our water dependence on state supply by recycling full water requirement of

manufacturing process. We have developed a fully functional rain water-harvesting system.

- ❖ Product Certifications: All our products are ITC (Institute for Testing and Certification, Czech Republic) certified. We have completed IAPMO (USA Certification Agency) for almost half of our products and are in process to get more products under this certification. We have also started our product certification from SGS (Emirates Authority for standardization and Metrology).

All our products are CE (Conformité Européenne) certified from QVC Certification. We have completed IAPMO (USA Certification Agency) for almost half of our products and are in process to get more products under this certification. Our Products have GRIHA (Green Rating for Integrated Habitat Assessment) Certification and we are getting more products under this certification. All our Qualified products are GreenPro certified from CII.

- |    |  |   |   |
|----|--|---|---|
| 2. | Benefit derived as a result                                  | : | With the introduction of new and cheaper raw materials from new sources and import substitution of raw materials, colors and other inputs, the cost of production is expected to reduce further.  |
| 3. | Future plan of action  | : | <ul style="list-style-type: none"> <li>❖ Under our eco-friendly initiatives, we will improve energy input from renewable sources, mainly Solar Energy, which is already installed. We also plan to redesign our Glaze Spray system for maximum recovery and recycle of glaze.</li> <li>❖ With a focus on automation, we will introduce more Robots in our manufacturing process. We are going to increase pressure casting unit as well. Also we will introduce robotic system for plaster mould making. In our firing process we plan to introduce automatic gas pressure regulation system. Also we may incorporate a new tunnel kiln in our plant to increase productivity.</li> <li>❖ We will build our capability and capacity to manufacture high value products. These products will have ergonomic and aesthetic designs, will be bigger in size and will have attractive appearance. Stain-free, antimicrobial and self-cleaning coatings can also be applied. Metallic and Copper glaze will be introduced further.</li> <li>❖ We will develop our manufacturing ability for more complex designs. In this regard, we have planned more Bench to Battery conversions where efficiency and productivity is improved. The Battery Casting method is much more ergonomic and will have positive impact on workmen health. Also we will introduce more semi-automatic casting process like pearl casting, vertical casting, and beam casting in production.</li> <li>❖ We have set-up a new R&amp;D facility. We expect to focus on consistent raw materials, less crack prone ceramic body, aesthetically appealing glazes, and better testing &amp; analyzing methods / tools.</li> </ul> |
| 4. | Expenditure on R & D   |   |   |
|    | a) Capital   | : | ` 1.72 Lakhs  |
|    | b) Recurring   | : | ` 123.42 Lakhs  |
|    | c) Total   | : | ` 125.14 Lakhs  |
|    | d) Total R & D Expenditure as a percentage of total turnover | : | 0.10%   |

### C. Foreign Exchange earnings and outgo

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. Foreign exchange used and earned by the Company during the year is as under:

Total foreign exchange used	:	` 6295.82 Lakhs
Total foreign exchange earned	:	` 1435.61 Lakhs

## Annexure - IV to the Directors' Report

## Form AOC – 1

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

## Part "A" : Subsidiaries

( ` in Lakhs)

Sr.No.	Particulars	Details	Details	Details
1.	Name of the Subsidiary	ANJANI TILES LIMITED	PACKCART PACKAGING LLP	RACE POLYMER ARTS LLP
2.	Date since when Subsidiary was acquired	23.11.2015	24.06.2016	09.05.2018
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Period ending on 31 <sup>st</sup> March, 2021	Period ending on 31 <sup>st</sup> March, 2021	Period ending on 31 <sup>st</sup> March, 2021
4.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share Capital	2,000.00	178.00	724.49
6.	Reserves & surplus	(879.49)	31.14	316.06
7.	Total Assets	12,792.58	568.68	2503.47
8.	Total Liabilities (Including Sr.no. 5 & 6)	12,792.58	568.68	2503.47
9.	Investments	Nil	Nil	Nil
10.	Turnover	7,269.84	1040.13	2699.26
11.	Profit / (Loss) before Taxation	(547.23)	77.49	409.74
12.	Less : Provision for Taxation	(74.29)	33.84	147.62
13.	Profit / (Loss) after Taxation	(472.94)	43.65	262.12
14.	Proposed Dividend	Nil	Nil	Nil
15.	Extent of Shareholding (in percentage) - Equity	51%	Share 51%	Share 51%
	- Preference	53.84%	-	-

**Notes:**

- The Anjani Tiles Limited has commenced its commercial operations w.e.f. 1<sup>st</sup> April, 2016
- No Subsidiary has been liquidated or sold during the year.

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

**Note:** No Associates or joint venture has been liquidated or sold during the year.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

**Rajesh B.Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem.No.ACA:040113

**Hemal Sadiwala**  
Company Secretary  
Mem.No.ACS:20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Akriti Jain** (DIN:08259413) Director  
**Surendra Singh Baid** (DIN:02736988) Director  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Atul Sanghvi** (DIN:00045903) Executive Director & CEO



## Annexure - V to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities  
for the financial year ended on 31<sup>st</sup> March, 2021

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

## 1. Brief outline on CSR Policy of the Company.

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

## 2. Composition of CSR Committee.

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Shri Vikram Somany, Chairperson	Chairman & Managing Director	1	-
ii	Smt. Deepshikha Khaitan	Joint Managing Director	1	1
iii	Shri Atul Sanghvi	Executive Director & CEO	1	1
iv	Shri J K Taparia*	Independent Director	1	1
v	Shri S. S. Baid	Independent Director	-	-

\* Shri J. K. Taparia ceased to be the member of CSR Committee, due to resignation w.e.f. 06.02.2021 and Shri Surendra Singh Baid is appointed as the member of the Committee w.e.f. 03.03.2021.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **NIL**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in `)
1	2017-18	-	-
2	2018-19	-	-
3	2019-20	-	-
	<b>TOTAL</b>	-	-

## 6. Average net profit of the company as per section 135(5).

₹ 15755.25 Lakhs

## 7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 315.10 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

-

(c) Amount required to be set off for the financial year, if any

-

(d) Total CSR obligation for the financial year (7a+7b- 7c).

₹ 315.10 Lakhs

## 8. (a) 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.
<b>316.57</b>	<b>NIL</b>	<b>N.A.</b>	<b>N.A.</b>	<b>NIL</b>	<b>N.A.</b>

(b) Details of CSR amount spent against ongoing projects for the financial year:

**NIL Company have no such Ongoing Project**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in `)	Amount spent in current financial Year (in `)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in `)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State/ District.						Name/CSR Registration number.
1	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>						-	-	-	

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Lakhs)	Mode of implementation-Direct (Yes/No).	Mode of implementation- Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Scholarship to Meritorious Students; Educational Support	Promoting Education and enhancing vocational skills	Yes	Gujarat	Mehsana	235.63	Direct	N.A.	N.A.
2	Medical Assistance Health Camps and Yoga Facility, Eradicating hunger	Eradicating hunger, poverty, Malnutrition, promoting health care and sanitation	Yes	Gujarat / West Bengal	Mehsana / Kolkata	37.88	Direct	N.A.	N.A.
3	PM Cares Fund	Contribution to PM Cares Fund	No	Delhi	Delhi	24.69	Direct	N.A.	N.A.
4	Rural Development	Rural Development	Yes	Gujarat / West Bengal	Mehsana / Kolkata	16.37	Direct	N.A.	N.A.
5	Artwork Development	Protection of National Heritage Art & Culture	No	West Bengal	Kolkata	2.00	Direct	N.A.	N.A.
	<b>TOTAL</b>					316.57			

(d) Amount spent in Administrative Overheads

**NIL**

(e) Amount spent on Impat Assessment, if Applicable

**NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

**316.57 Lakhs**

(g) Excess amount for set off, if any

**NIL**

Sr. No.	Particular	Amount in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

- 9 (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in `)	Amount spent in the reporting Financial Year (in `)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund			Amount remaining to be spent in succeeding financial years (in `)
				Name of the Fund	Amount (in `)	Date of transfer.	
1	-	-	-	-	-	-	-
	TOTAL						

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

**NIL Company have no such Ongoing Project**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial year in which in project was commenced	Project duration	Total Amount allocated for the project (in `)	Amount spent on the project in the reporting Financial Year (in `)	Cummulative amount spent at the end of the reporting year (in `)	Status of the project - Completed/ Ongoing
1	-	-	-	-	-	-	-	-
	TOTAL							

- 10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : **Not applicable**

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

- 11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**The company has fully spent and undertaken various projects mentioned above. The projects are running on continuous basis.**

Ahmedabad  
10<sup>th</sup> June, 2021

Atul Sanghvi  
Executive Director & CEO  
(DIN:00045903)

Vikram Somany  
Chairman & Managing Director  
Chairman CSR Committee  
(DIN:00048827)

**Annexure - VI to the Directors' Report**

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

Sr.No.	Particulars																			
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	<table style="width: 100%; border: none;"> <tr> <td colspan="2"></td> <td colspan="4" style="text-align: center;">Wholetime Directors</td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">JMD</td> <td style="text-align: center;">ED &amp; CEO</td> <td colspan="2" style="text-align: center;">ED</td> <td></td> </tr> <tr> <td style="text-align: center;">31 X</td> <td style="text-align: center;">10 X</td> <td style="text-align: center;">16 X</td> <td colspan="2" style="text-align: center;">9 X</td> <td></td> </tr> </table>			Wholetime Directors				CMD	JMD	ED & CEO	ED			31 X	10 X	16 X	9 X		
		Wholetime Directors																		
CMD	JMD	ED & CEO	ED																	
31 X	10 X	16 X	9 X																	
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.	<table style="width: 100%; border: none;"> <tr> <td colspan="3" style="text-align: center;">Wholetime Directors</td> <td colspan="3" style="text-align: center;">KMPs</td> </tr> <tr> <td style="text-align: center;">CMD</td> <td style="text-align: center;">ED &amp; CEO</td> <td style="text-align: center;">ED</td> <td style="text-align: center;">CFO</td> <td colspan="2" style="text-align: center;">CS</td> </tr> <tr> <td style="text-align: center;">NIL</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">NIL</td> <td colspan="2" style="text-align: center;">NIL</td> </tr> </table>	Wholetime Directors			KMPs			CMD	ED & CEO	ED	CFO	CS		NIL	NIL	NIL	NIL	NIL	
Wholetime Directors			KMPs																	
CMD	ED & CEO	ED	CFO	CS																
NIL	NIL	NIL	NIL	NIL																
iii.	The % increase in the median remuneration of employees in the financial year.	NIL																		
iv.	The number of permanent employees on the rolls of Company.	2473																		
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Due to COVID-19 pandemic impact, there was no increase in the salaries of the employees at all the levels across the organization.																		
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the Company.																		

Ahmedabad.  
10<sup>th</sup> June, 2021

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

## Annexure - VII to the Directors' Report

## CORPORATE GOVERNANCE REPORT

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

## 1) Company's Philosophy

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

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

For the company the adherence to the corporate governance is not only from the letter of law but to do the business in a right and legal way.

## 2) Board of Directors

The Board comprises of a Chairman & Managing Director, Joint Managing Director, 2 (two) Executive Directors and 4 (Four) Independent Directors.

During the year under review, 5 (Five) Board Meetings were held on 04.06.2020, 30.06.2020, 05.08.2020, 10.11.2020 and 02.02.2021.

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

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

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other director-ship	No. of Other Committee Membership	Names of Listed entities where person is also director and category of Directorship
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	5	Yes	2	—	—
2.	Smt. Deepshikha Khaitan	Joint Managing Director Promoter Director	5	Yes	3	—	—
3.	Shri Sajjan Kumar Pasari	Non-Executive Independent Director	5	Yes	8	—	—
4.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	5	Yes	11	—	—
5.	Shri Atul Sanghvi	Executive Director & CEO	5	Yes	2	—	—
6.	Shri Ayush Bagla	Executive Director	5	Yes	2	—	—
7.	Shri J. K. Taparia*	Non-Executive Independent Director	5	Yes	0	N.A.	N.A.
8.	Shri Surendra Singh Baid	Non-Executive Independent Director	5	Yes	1	—	—
9.	Ms. Akriti Jain	Non-Executive Woman Independent Director	5	Yes	0	—	—

\* Shri J. K. Taparia ceased to be a Director on account of resignation w.e.f. 6<sup>th</sup> February, 2021.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the

agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

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

All Independent Directors are experienced and competent in their respective field. They actively participate in the Board and Committees which gives significant value addition in the decision making process. The details of Familiarization programs is posted on Company's website i.e. www.cera-india.com

**Skills / Expertise / Competence of the Board:**

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

Possessing knowledge relating to Ceramic Industry	Wide experience and expertise in the area of Ceramic Industry and possessing knowledge relating to clay, sculptures, pottery items, home-ware products, cookware, bathroom fittings etc with innovative ideas innovative technology for enhancing the production.
Commercial	Ability to understand what makes business or organisation successful through either buying or selling products, cost of goods and Services and taxes etc.
Finance	Having knowledge in accounting, finance, treasury, tax, financial management of large scale corporates, financial reporting process etc.
Sales and marketing	Having understanding of complex and large corporate structure supply and marketing chain, strategic planning, marketing skills. Understanding local and global trends in the business.
Technology and technical know how.	Having knowledge of emerging areas of digital technology, artificial intelligence, cyber technology etc. and having good understanding of technical knowhow and technologies specifically used in ceramic industry.
General Administration and Human Resources	Having understanding of organisational system, complex business and regulatory environment, strategic planning and handling routine affairs and Human resources of the Company.
Risk management and mitigation planning	Ability to understand and assess the key risks to the organisation, legal compliances, and to ensure that appropriate procedures and policies are in place for effective managing the Company.

Legal and Corporate Laws	Understanding the legal ecosystem in which the Company operates, Experience and expertise in implementing good corporate governance, managing Stakeholders' interest, possessing the required skill and knowledge of laws and regulations applicable to the Company and ensuring its compliance in the best interest of the Company.
--------------------------	--

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

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

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:-

Shri J K Taparia, resigned as an Independent Director of the Company w.e.f. 06.02.2021 on account of personal reasons and other professional commitments. The copy of his resignation letter confirming the reason of resignation is available on the website of the Company.

**Performance Evaluation:**

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

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

satisfaction with the evaluation process.

**Independent Directors' Meeting:**

During the year under review, a separate meeting of Independent Directors was held on 19<sup>th</sup> March, 2021 inter alia, to discuss:

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

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

**Prohibition of Insider Trading:**

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Designated Persons and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company has revised Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders inline with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Code of Conduct**

The Company has implemented model code of conduct for the Board members and senior Officers of the Company. The code of conduct has been posted on the website of the Company i.e. [www.cera-india.com](http://www.cera-india.com).

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

**Risk management**

The Board of directors have framed, approved and implemented Risk Management policy of the Company including identification and element of risks. Pursuant to amendments in SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy.

The Committee has included in its scope cyber security and has reviewed the matters in its connection at various levels and also takes necessary actions from time to time to mitigate the cyber risk to the Company in accordance with SEBI (LODR) Regulations, 2015. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

Risk Management Committee comprises Shri Vikram Somany (Chairman), Smt. Deepshikha Khaitan (Member), Shri Ayush Bagla (Member), Shri Atul Sanghvi (Member) and Shri Rajesh B. Shah (Member). During the year one meeting of Risk Management Committee was held on 23<sup>rd</sup> March, 2021. The Board of Directors at its meeting held on 10<sup>th</sup> June, 2021 reconstituted the committee by appointing Shri S. S. Baid, Independent Director as a member of committee in the compliance of Regulation, 21 of SEBI (LODR) Regulation, 2015.

### 3) Audit Committee

The Audit Committee consists of 5 (Five) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Vikram Somany – Member, Shri Sajan Kumar Pasari (Independent) – Member, Shri Surendra Singh Baid (Independent) – Member and Ms. Akriti Jain (Independent) – Member. During the year, 4 (Four) Audit Committee Meetings were held on 30.06.2020, 05.08.2020, 10.11.2020 and 02.02.2021.

Consequent upon resignation of Shri J.K.Taparia as a Director of the Company w.e.f. 06.02.2021, he ceased to be member of the Audit Committee and Shri Lalit Kumar Bohania has been appointed as Chairman of the Audit Committee w.e.f. 03.03.2021.

#### Terms of reference

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under regulation 18 and Part –C of Schedule - II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. Details of number of meetings and attendance there at is as under.

The brief description and terms of reference of the Audit Committee inter-alia includes:

1. Oversee the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the quarterly financial statements before submission to the board for approval.

Details of number of meetings and attendance there at is asunder:

Name of Director	No. of Meetings	
	Held	Attended
Shri Lalit Kumar Bohania	4	4
Shri Vikram Somany	4	4
Shri Sajan Kumar Pasari	4	4
Shri Surendra Singh Baid	4	4
Ms. Akriti Jain	4	4
Shri J. K. Taparia*	4	4

\* ceased to be the member of Audit Committee, due to resignation w.e.f. 6<sup>th</sup> February, 2021.

### 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, comprises of 4 (Four) directors as its members namely, Shri Surendra Singh Baid (Independent) – Chairman, Shri Vikram Somany - Member, Shri Lalit Kumar Bohania (Independent) - Member and Shri Sajan Kumar Pasari (Independent) - Member.

The committee recommends appointment and remuneration of directors, key managerial personnel and senior management personnel to the Board.

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

The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as may be necessary. During the year under review, 1 (one) Nomination and Remuneration Committee Meetings was held on 19<sup>th</sup> March, 2021.

Details of number of meetings and attendance there at is asunder:

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

Shri J. K. Taparia ceased to be the member of Nomination and Remuneration Committee, due to resignation as a Director w.e.f. 6<sup>th</sup> February, 2021.

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

The committee recommends appointment of directors to the Board.

### 5) Corporate Social Responsibility Committee

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

Shri J. K. Taparia ceased to be the member of Corporate Social Responsibility Committee, due to resignation w.e.f. 06.02.2021 and Shri Surendra Singh Baid appointed as member of the Committee w.e.f. 03.03.2021.

The Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy and monitor and review the same and determine implementation process / execution of CSR policy. After close of the year, the Board has revised the CSR Policy on the basis of recommendation of CSR Committee. Newly revised policy has been displayed on the website of the Company.



Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure to the Directors' report. During the year under review, 1 (One) meeting was held on 01.02.2021.

## 6) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

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

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to appointment and payment of remuneration to Directors, KMPs, and other senior management employees which was approved by the Board and is annexed as an annexure to the Directors' Report.

## 7) Details of remuneration for the year ended 31.03.2021

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

(` in Lakhs)

Name and Designation	Remuneration	Perquisites and other benefits	Commission
Shri Vikram Somany Chairman and Managing Director	459.61	37.14	---
Smt. Deepshikha Khaitan Joint Managing Director	148.97	16.90	---
Shri Atul Sanghvi Executive Director & CEO	239.32	16.83	---
Shri Ayush Bagla Executive Director	139.22	12.67	---

Performance incentive to the Managing and whole time Directors are based on the sales achieved and operating profit of the Company on the basis of the criteria decided by the Nomination and Remuneration Committee /Board of Directors/Chairman and Managing Director from time to time.

Whole-time Directors' appointment is for a period of 3 years. The Whole Time Directors' may resign from the service of the Company by giving three months' notice in advance. The Company has the right to terminate the service of Whole Time Director/s except Chairman and Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

The Whole-time Directors are also entitled to the benefits as per the Rules of the Company, which the other senior executives/employees of the Company are entitled to.

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

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

### (ii) Non-Executive Directors & their Shareholding

Members of the Company at their Annual General Meeting held on 27.07.2017 have passed the resolution for payment of commission to Directors not in whole time employment of the Company not exceeding 1% of the net profit of the Company. The commission is to be distributed among Directors not in whole time employment as maybe decided by Board of Directors.

Details of remuneration to the non-executive Directors of the Company:

Name	Sitting Fees (` in Lakhs)	Commission (` in Lakhs)	No. of Shares held	% of total shareholding
Shri Sajan Kumar Pasari	0.50	4.00	236696	1.82
Shri Lalit Kumar Bohania	0.50	4.00	Nil	Nil
Shri J. K. Taparia*	0.50	4.00	Nil	Nil
Shri Surendra Singh Baid	0.50	4.00	Nil	Nil
Ms. Akriti Jain	0.50	4.00	Nil	Nil
<b>TOTAL</b>	<b>2.50</b>	<b>20.00</b>		

\*ceased to be the director on account of resignation w.e.f. 06.02.2021.

## 8) Share Transfer Committee

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

The said Committee comprises of 3 (three) directors as its members, namely, Shri Atul Sanghvi - Chairman, Shri Surendra Singh Baid (Independent) - Member and Shri Lalit Kumar Bohania (Independent) - Member.

Shri J. K. Taparia ceased to be the member of Share Transfer Committee, due to resignation as Director w.e.f. 06.02.2021 and Shri Lalit Kumar Bohania has been appointed as member of the Committee w.e.f. 03.03.2021.

The Company confirms that there were no share transfers lying pending as on date which were received upto 31.03.2021 and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

### Share Transfer Agent

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

## 9) Stakeholders Relationship Committee

In accordance with the provisions of Section 178 and SEBI (LODR) Regulations, the Company has constituted the Stakeholders Relationship Committee.

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

The Committee comprises of 3 (three) directors as its members, namely Shri Lalit Kumar Bohania (Independent) – Chairman, Shri Atul Sanghvi – Member and Shri Surendra Singh Baid (Independent) – Member.

Shri J. K. Taparia ceased to be the member of Share Transfer Committee, due to resignation as Director w.e.f. 06.02.2021 and Shri Lalit Kumar Bohania has been appointed as Chairman of the Committee w.e.f. 03.03.2021.

All the complaints received from the Shareholders were resolved. There is no complaint pending as on 31.03.2021, which is not attended / replied by the Company.

During the year, one meeting was held on 01.02.2021.

Name and Designation of Compliance Officer: Shri Hemal Sadiwala, Company Secretary and Compliance Officer.

Status of Complaints during the financial year ended on 31.03.2021:

Complaints at the beginning of the year	0
Complaints received during the year	4
Complaints resolved during the year	4
Complaints remain unresolved at the end of the year	0

#### 10) General Body Meetings

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

Financial Year ended	Date	Time	Venue
31.03.2020	10.09.2020	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2019	31.07.2019	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2018	30.08.2018	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.

Extra-Ordinary General Meeting:

Date	Time	Venue
15.05.2019	11.30 a.m.	9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana.

During last three Annual General Meetings/Extra Ordinary General Meeting, following special resolutions were passed:

- Re-appointment of Shri Sajjan Kumar Pasari as an Independent Director for further period of Five years (Annual General meeting dated 30.08.2018)
- Re-appointment of Shri Lalit Kumar Bohania as an Independent Director for further period of Five years (Annual General meeting dated 30.08.2018)
- Appointment of Shri Ayush Bagla as an Executive Director. (Annual General meeting dated 31.07.2019)
- Payment of Commission to Smt. Deepshikha Khaitan. (Annual General meeting dated 31.07.2019)
- Appointment of Smt. Deepshikha Khaitan as Joint Managing Director. (Annual General meeting dated 10.09.2020)
- Re-appointment of Shri Atul Sanghvi as Executive Director & CEO. (Annual General meeting dated 10.09.2020)

During last three years no resolution is passed through Postal Ballot. No resolution is proposed to be conducted through Postal Ballot as on date.

#### 11) Means of Communication

- Quarterly results are published in leading daily newspapers viz. Financial Express / The Economic Times/ Indian Express and a local language newspaper viz. The Economic Times/Financial Express/Nav Gujarat Samay. The annual reports are circulated to all the members of the Company electronically, whose e-mail ids are registered with depository participant and with the Company only.
- Management Discussion & Analysis forms part of this Annual Report, which is also being sent to the members of the Company.
- The official news releases/investor communication, if any, are given directly to the press and simultaneously to the Stock Exchanges.
- The Company sends its quarterly and annual financial results, Shareholding pattern and other information to BSE Limited and National Stock exchange of India Limited. They upload this information on their websites. i.e. www.bseindia.com and www.nseindia.com. The said information is also available on the company's website www.cera-india.com.
- Earnings Calls and Presentations

At the end of each quarter, the Company organizes meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings calls are uploaded on the website of the Company thereafter.

#### 12) General Shareholders' Information

##### 1. Annual General Meeting

Date and Time : Wednesday, 4<sup>th</sup> August, 2021 at 11.30 a.m.

Venue : The company is conducting meeting through VC/OAVM pursuant to the MCA circular dated 5<sup>th</sup> May, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

##### 2. Financial Calendar 2021-22 (tentative)

Annual General Meeting By 3<sup>rd</sup> / 4<sup>th</sup> week of August, 2022

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

June 30, 2021	August, 2021
September 30, 2021	November, 2021
December 31, 2021	February, 2022
March 31, 2022 (Audited)	By 29 <sup>th</sup> May, 2022

##### 3. Dividend Payment

Dividend for the year ended 31.03.2021 will be paid to the members whose names will appear in the register of members of the Company, on 27.07.2021 and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 19.07.2021.

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

In accordance with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors has adopted Dividend Distribution Policy and same is placed on the website of the Company [www.cera-india.com](http://www.cera-india.com).

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 20<sup>th</sup> June, 2020 and Company has sent individual notices to the shareholders on 18<sup>th</sup> June, 2020 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. Those shareholders who have not claimed their shares, such shareholders' shares have been transferred to the Investor Education and Protection Fund on 18<sup>th</sup> September, 2020. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

**5. Listing on Stock Exchanges**

The Company's shares are listed at BSE Limited 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P J Towers Dalal Street, Fort Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. The company has paid listing fees for the year 2019-20 and 2020-21 to the Stock Exchanges.

BSE Limited

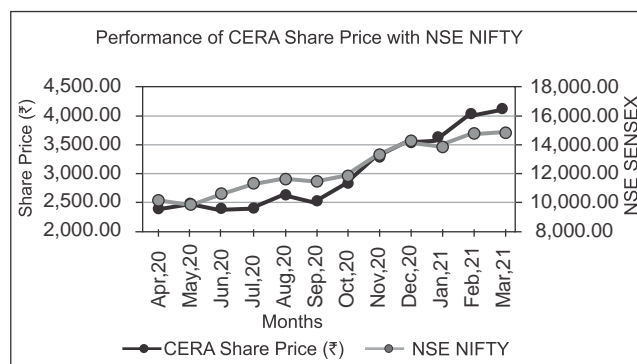
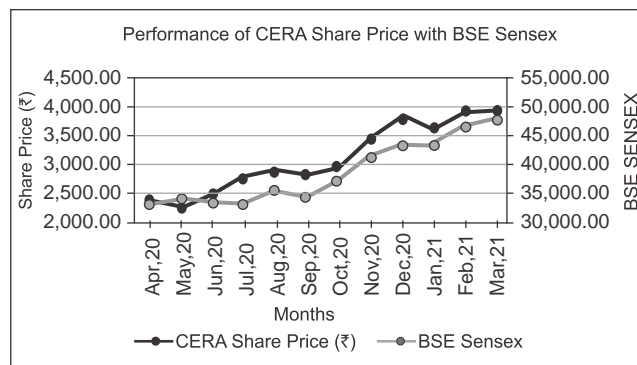
Scrip Code : 532443 Scrip ID : CERA

National Stock Exchange of India Limited

Trading Symbol : CERA.

**6. Share price at BSE and NSE**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-2020	2323.00	2083.10	2340.00	2082.00
May-2020	2595.00	2100.00	2475.00	2092.00
June-2020	2410.25	2165.00	2413.95	2166.05
July-2020	2370.30	2120.00	2346.00	2161.05
Aug-2020	2638.40	2100.00	2640.50	2121.00
Sept-2020	2600.00	2213.60	2603.00	2215.50
Oct-2020	2825.00	2310.40	2828.00	2310.00
Nov-2020	3150.00	2560.00	3504.80	2625.00
Dec-2020	3569.45	3019.40	3569.00	3011.55
Jan-2021	3746.35	3302.00	3744.20	3300.00
Feb-2021	4017.65	3315.05	4027.00	3315.15
March-2021	4168.40	3589.05	4200.00	3601.00



**7. Registrar and Share Transfer Agent**

Entire Share Transfer and dematerialization / rematerialization job is assigned to MCS Share Transfer Agent Limited, a SEBI registered Registrar and Share Transfer Agent. Request for Share transfer, dematerialization and re-materialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

**8. Share Transfer System**

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

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

Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

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

#### 9. Distribution of Shareholding as on 31.03.2021

Shares	No. of Shareholders	Total No. of Shares
1 – 500	16,622	8,79,517
501 – 1000	194	1,39,184
1001 – 2000	91	1,31,443
2001 – 3000	27	67,595
3001 – 4000	8	29,235
4001 – 5000	7	32,441
5001 – 10,000	26	1,91,444
10,001 – 50,000	32	7,02,734
50,001 – 1,00,000	5	3,55,491
1,00,001 And above	19	1,04,76,790
<b>Total</b>	<b>17,031</b>	<b>1,30,05,874</b>

#### 10. Shareholding Pattern as on 31.03.2021

Sr. No.	Category	No. of Shares	(%)
1.	Promoters	70,85,139	54.48
2.	Mutual Funds/UTI	13,47,492	10.36
3.	FPIs	20,08,380	15.44
4.	Foreign Body Corporate	3,51,000	2.70
5.	Financial Institutions / Banks / Trusts / IEPF/Insurance Co.	1,00,642	0.77
6.	NRIs	60,310	0.46
7.	Bodies Corporate	3,80,891	2.93
8.	Indian Public	16,72,020	12.86
	<b>Total</b>	<b>1,30,05,874</b>	<b>100.00</b>

#### 11. Dematerialisation of Shares as on 31.03.2021

As on 31.03.2021, 98.51% of the Company's total shares representing 1,28,12,324 Shares were held in dematerialized form and the balance 1.49% representing 1,93,550 shares were in physical form.

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

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

Pursuant to SEBI (Depositories and Participants) Regulations, 2018, a practicing company secretary has carried out the Secretarial Audit for all the quarters of Financial Year 2020-21. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

13. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments in the Company.

#### 14. Credit Rating:

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

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

#### 15. Plant Locations

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

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

#### 16. Address for Correspondence

The Company's Registered Office is situated at 9, GIDC Industrial Estate, Kadi-382715, District Mehsana, Gujarat. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above or Corporate Office at 7<sup>th</sup> & 8<sup>th</sup> Floor, B Wing, Privilon, Ambli BRTS Road, ISKCON Crossroads, Ahmedabad - 380059 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2<sup>nd</sup> Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Contact No. 079-26580461/462, Email:mcsstaahmd@gmail.com

17. The Company has received Certificate from Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have not been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority. Certificate forms part of the report.

18. No Preferential allotment of the shares, made during the F.Y. 2020-21.
19. During the year, Total fees of ₹ 15.71 Lakhs have been paid to Statutory Auditors N.M.Nagri & Co. by the Company and subsidiaries (Packcart packaging LLP, Race Polymer Arts LLP).
20. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - a. Number of Complaints filed during the financial year.- Nil
  - b. Number of Complaints disposed of during the financial year.-Nil
  - c. Number of Complaints pending as on end of the financial year.-Nil

### 13) Other Disclosures

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.
2. Disclosure of Accounting Treatment : These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31<sup>st</sup> March, 2021 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated, so as to make the figures comparable with the figures of current year.
3. There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchanges, SEBI or other statutory authority of any matter related to the capital market, during the last three years.
4. Vigil Mechanism (Whistle Blower Policy):  
The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website i.e. www.cera-india.com and no person is denied access to the Audit Committee.
5. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has partly adopted non-mandatory requirements. The Company is having unmodified audit opinion and the Internal Auditor reports directly to the audit committee. The Company is complying with applicable Secretarial Standards.
6. The Company has no material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link <https://www.cera-india.com/corporate/policy-for-determining-material-subsiary/>
7. Related Party Transactions  
All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.cera-india.com.
8. Commodity Risk or Foreign Exchange Risk:  
The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.
9. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2020-21.
10. CEO and CFO certification  
As per Regulation 17(8) and Part - B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from CEO and CFO has been obtained.

Place : Ahmedabad.  
Date : 10<sup>th</sup> June, 2021

**Vikram Somany**  
Chairman and Managing Director  
(DIN:00048827)

**CERTIFICATE**

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

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of Cera Sanitaryware Limited (the Company) having its registered office situated at 9, G.I.D.C. Industrial Estate, Kadi, Mehsana – 382715, Gujarat which were produced before us by the Company (including receipt of documents by way of electronic means on account of ongoing pandemic of COVID - 19) for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA [www.mca.gov.in](http://www.mca.gov.in)), we hereby certify that none of the Directors on the Board of the Company as on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

**FOR PARIKH DAVE & ASSOCIATES**

Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020

**Umesh G. Parikh**

Partner

FCS No. 4152

C P No.: 2413

UDIN: F004152C000434483

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined all relevant records of **CERA SANITARYWARE LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced (including receipt of documents by way of electronic means on account of ongoing pandemic of Covid - 19), explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**FOR PARIKH DAVE & ASSOCIATES**  
Company Secretaries  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**  
**Umesh Parikh**  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN: F004152C000434505

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

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

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

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2021.

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

For **Cera Sanitaryware Limited**  
**Atul Sanghvi**  
Executive Director & Chief Executive Officer  
(DIN : 00045903)



## Annexure VIII to the Directors' Report

## Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31<sup>st</sup> March, 2021.

**Section A [General Information about the Company]:**

1	Corporate Identity Number (CIN) of the Company	L26910GJ1998PLC034400
2	Name of the Company	Cera Sanitaryware Limited
3	Address of the Registered Office of the Company	9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.
4	Website	www.cera-india.com
5	Email id	kadi@cera-india.com
6	Financial year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	239 (NIC 2008)
8	Key products/Services:	Sanitaryware, Tiles, Bathroom accessories & products, Faucetware, Generation of Electricity through Green Energy for captive use.
9	Locations where business activity is undertaken by the Company	Sanitaryware and Faucetware plants alongwith Rooftop Solar Plants are located at Kadi Dist. Mehsana Gujarat. Wind farms of the Company are located in five various places in Gujarat, India. The Company's businesses and operations are spread across different geographies across the country.
10	Markets served by the Company – Local/State/National/ International	The Company has a significant presence nationally and globally.

**Section B [Financial Details of the Company]:**

1	Paid-up Capital ( ` )	650.29 Lakhs
2	Total turnover ( ` )	1,19,934.60 Lakhs
3	Total profit after taxes ( ` )	10,130.33 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	The Company has spent ` 316.57 Lakhs towards CSR expenditure for the F.Y. 2020-21 which is 2.01% of Net Profit.
5	List of Activities in which expenditure in 4 of above has been incurred	Healthcare, Education, Rural development, Eradicating Hunger, Woman empowerment, Vocational Skill, Contribution to PM Care fund etc. Annual Report on CSR activities is attached as Annexure V to the Directors' Report.

**Section C [Other Details]:**

- Does the Company have any Subsidiary Company / Companies?  
Yes, the Company has one subsidiary company as on 31<sup>st</sup> March, 2021.
- Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?  
The Company encourages subsidiary to adopt its policies and practices.
- Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?  
It is difficult to establish the extent of support in the company's BR Initiatives.

**Section D [BR Information]:**

- Details of Director/Directors responsible for BR:
  - Details of the Director/Directors responsible for implementation of the BR Policy/policies:
    - DIN Number: 00045903
    - Name: Shri Atul Sanghvi
    - Designation: Executive Director & CEO
  - Details of the BR head:
    - DIN Number: 00045903
    - Name: Shri Atul Sanghvi
    - Designation: Executive Director & CEO
    - Telephone: (02764) 242329, 243000
    - Email ID: asanghvi@cera-india.com
- Principle-wise (as per NVGs) BR Policy/Policies:**
  - Business should conduct and govern themselves with Ethics, Transparency and Accountability
  - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
  - Businesses should promote the well-being of all employees
  - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
  - Businesses should respect and promote human rights
  - Businesses should respect, protect, and make efforts to restore the environment
  - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
  - Businesses should support inclusive growth and equitable development
  - Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics P1	Product life responsibility P2	Employee well being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Community Development P8	Customer Value P9
1	Do you have a policy/policies for?	Y This forms part of the Code of Conduct of the Company which is applicable to Board of Directors and Senior Managerial Personnel	Y The policy is part of the Company's Environment, Health and Safety Policy.	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources Department of the Company from time to time.	Y The Company does not have a specific policy, this principle forms part of the CSR Policy.	Y This policy is for internal circulation to the employees of the Company and some portion is part of the Code of Conduct of the Company.	Y The policy relating to the Environmental matters	NA -	Y The Company has a CSR Policy	Y The Company has Policy on Customer care
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy confirm to any national/international standards?	The Company is abiding by various Laws while framing the policies. The Company takes into account the best practices and national/international standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	All statutory policies are approved by the Board of Directors, whereas other policies are approved by the Chief Executive Officer/ Executive Director or the respective business/unit head.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The policies are implemented and being reviewed regularly by the respective business/unit head.								
6	Indicate the link for the policy to be viewed online?	Code of conduct, CSR Policy, Whistler Blower Policy, Dividend Distribution policy etc are available on Company's website, <a href="http://www.cera-india.com">www.cera-india.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, Code of conduct, CSR Policy, Whistler Blower Policy, Dividend Distribution policy etc are available on Company's website, the other policies are for the internal purpose.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, respective business/unit heads attend to any grievances pertaining to their department and address the grievances. The Company has formed a Stakeholders' Relationship Committee to redress any grievances of shareholders and investors. Product related grievances are also resolved by the respective business heads and customer care department of the Company.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The policies are evaluated from time to time and updated whenever required, CSR expenditure is audited by the Company's Statutory Auditors.								

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.

The Business Responsibility performance of the Company is regularly monitored by the Company and reviewed by the Executive Directors/Chief Executive Officer and respective departmental heads.

- b) Does the Company publish BR or sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Business Responsibility Reporting is applicable to the Company w.e.f. 1<sup>st</sup> April, 2016 as per SEBI (LODR) Regulations, 2015. The BR Report is a part of the Annual Report of the Company, which is uploaded on the Company's website – [www.cera-india.com](http://www.cera-india.com).

### Section E [Principle-wise Performance]:

#### Principle 1: [Business should conduct and govern themselves with Ethics, Transparency and Accountability]

The Board of Directors has approved a Code of Conduct, which is applicable to all Board Members, Key Managerial Personnel and senior management personnel of the Company. This is reviewed and reported annually.

The Company also has a Whistle Blower Policy approved by the Board and is applicable to all employees of the Company, which serves as mechanism for its Directors and Employees to report any genuine concerns or suspected fraud without fear of reprisal and thus ensures the Company to uphold its high standard. The Code of Business Conduct and Whistler blower policy is posted on the Company's website.

The Board of directors have framed, approved and implemented Risk Management policy of the Company including identification and element of risks. Pursuant to amendments in SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Risk Management Committee having its scope and functions as per Risk Management policy.

The details of shareholders complaints received and resolved during the financial year are given in the Corporate Governance report of this Annual Report.

#### Principle 2:[Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.]

Three of the Products of the Company are designed considering environment concerns, risks and opportunities.

- A) Sanitaryware
- B) Faucetsware
- C) Tiles & Allied products

The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water, chemicals and waste reduction. The Company ensures fulfilment of all compliance obligations (legal requirements and other requirements) that relate to products and services, environmental aspects and occupational health & safety.

Company's manufacturing units are ISO 9001, 14001 and BS 18001 certified.

The company is committed to environment sustainability. It constantly works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level. The Company has also set up wind farms and rooftop solar plants.

The Company is constantly trying to develop WC and other products which operate with minimum consumption of water.

Keeping our Eco-friendly tradition, Cera has developed 04 liters flushing system with same effectiveness as 06 litres flushing system. By 30% reduction in water consumption, this technology will help to save precious water. We have also reduced our water dependence on state supply by recycling full water requirement of manufacturing process. We have developed a fully functional rain water-harvesting system.

The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials. This includes sample approvals, performance trials, plant audit and regulatory clearances. Majority procurement of materials is from the approved manufacturers.

The Company procures goods and services from the local and small producers for its manufacturing premises and offices. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation. Adequate guidance and counselling are also provided to them about system and procedures for regulated markets.

The majority of waste generated in the Company's operations is recycled and balance is disposed off safely. Manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste below the norms prescribed by respective pollution control boards.

**Principle 3 [Businesses should promote the well-being of all employees.]:**

1. Please indicate the Total number of employees - 2473
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis - 1431
3. Please indicate the Number of permanent women employees - 83
4. Please indicate the Number of permanent employees with disabilities - 16
5. Do you have an employee association that is recognized by management? Yes
6. What percentage of your permanent employees is members of this recognized employee association? 100%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.N.	Category	No. of Complaints filed during the Financial year	No. of Complaints pending as on the end of the financial year.
1	Child Labour/Forced labour/Involuntary Labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?
  - a. Permanent Employees - 100%
  - b. Permanent Women Employees - 100%
  - c. Casual/Temporary/Contractual Employees- Contractual employees are given training - 50%
  - d. Employees with Disabilities - 100%

Company continues to invest in training and development of its employees and has been organizing various training programmes from time to time.

Firstly, there was a nation-wide lockdown, bringing the production and sales to a grinding halt. Your Company's teams this work from home situation to its advantage, creating awareness about the pandemic not only amongst its employees but also its business associates—suppliers, trade partners, designers, architects, consultants, developers and end-users. Digital campaigns were used extensively for creating this awareness.

Once the lockdown was lifted partially and production and sales resumed, the emphasis was on safety of workforce and traders. The entire factory and office premises were periodically sanitised and all employees were screened at the entrance. All Covid-19 protocols like social distancing, wearing of mask, temperature check, hand sanitisation, etc. were strictly followed in manufacturing units as well as sales offices.

**Principle 4 [Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized]:**

The Company has mapped its key internal and external stakeholders. The Company recognise employees, business associates, joint venture partners, supplier, vendors, shareholders, investors, regulatory authorities and other government bodies as our key stakeholders.

The Company engages with its stakeholders on an ongoing basis. It is committed to the welfare of marginalized and vulnerable sections of the society and endeavours to meet the expectations of the said stakeholders.

The Company approach focuses on the development of communities around the vicinity of Company's plant. We have also developed innovative programmes to enhance livelihood of communities through education and skill development through CSR Activities, details of which are given as Annexure II of the Directors report. Your Company constantly imparts training to not only its own sales and service teams, but also to its dealers' and sub-dealers' salesmen.

The Employees are employed as per state government directive from time to time. The company invests in their skill development and upgradation, health check-ups and ensures other quality of life parameters. We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.

**Principle 5 [Businesses should respect and promote human rights]:**

The Company remains committed to respect and protect human rights. The Company's Code of Conduct and the human resource practices cover most of these aspects. The Company does not hire child labour, forced labour or involuntary labour. The Company never discriminates between its employees. This extends to all areas of business operations and various stakeholder groups.

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No stakeholder complaints, relating to human rights, have been received in the past financial year.

**Principle 6: [Business should respect, protect, and make efforts to restore environment]:**

The Company is committed towards conservation of the environment and compliance with the requirements related to Environment, Health and Safety. The Company has been engaging and involving every stakeholder across the Company in creating a unique culture in Environment, Health and Safety.

The Company has launched a project titled "Waste Minimization and Waste Utilization Program" and lots of measures have been taken to arrest wastage in solid, liquid and gaseous forms as well as electricity at different stages of production as a continuous program. Simultaneously, the generated wastes of body and glaze are benefited and used in production on regular basis. Necessary infrastructure has also been created to continue the activities in future.

The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. In line with the Company's commitment towards conservation of energy, all its units continue with their efforts aimed at improving energy efficiency through innovative measures, to reduce wastage and optimise consumption.

The Company always strive towards growth with sustainable development and without caring for nature this is not possible. Company has installed rooftop solar power system which is one of the largest in this region and will reduce carbon footprint to great extent.

The Company's manufacturing units are ISO 9001, 14001 and BS 18001 certified.

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

Initiatives taken by the Company towards technology and energy efficiency are mentioned in Directors' Report and as Annexure III to the Directors' Report.

The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

No showcause/legal notices received from CPCB/SPCB during the Financial Year 2020-21.

**Principle 7: [Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner]**

The Company is a member of

- a. Gujarat Chamber of Commerce & Industries
- b. Indian Council of Sanitaryware Manufacturers
- c. Indian Green Building Council Promoted by CII
- d. Preferred partner of CREDAI (Confederation of Real Estate Developers Associations of India)
- e. Kadi Industrial Association

From time to time the Company has been raising various issues relating to Ceramic Industries through above mentioned association.

The Company also works closely with influencers and their associations like IIA ( Indian Institute of Architects), IID (Institute of Indian Interior Designers) and IPA (Indian Plumbing Association).

The Company's R & D Team/ executives are active participants in meetings with statutory agencies and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

**Principle 8: [Businesses should support inclusive growth and equitable development]:**

The Company has taken various CSR initiatives for support and development of society. The report on the CSR projects carried by the Company is annexed as Annexure II of the Director's Report.

The Company has always strived to provide better health, education and vocational skills to the people in or around its manufacturing units. The Company extends its social responsibility by engaging its strategic and trust based community development interventions.

The Company continues to invest in training and development of its employee and has been organising various training programmes from time to time.

An amount of ₹ 316.57 Lakhs was spent towards various CSR Activities during the financial year 2020-21 and people in the cities like Kadi, Kundal, Ahmedabad in the state of Gujarat and Kolkata in the state of West Bengal were benefited. The amount spent on various CSR activities is mentioned in the Annual Report as Annexure V to the Directors' Report.

The internal teams reviews and ensure the implementation of the CSR Activities undertaken.

**Principle 9 [Businesses should engage with and provide value to their customers and consumers in a responsible manner]:**

Most of the customer complaints are appropriately addressed and resolved. As on the end of the financial year, there was negligible percentage of unresolved complaints.

Company's after Sales team of technicians, a 24 hour toll free call centre, and timely on site service from the technicians to individual customers, has been one of its key strengths in generating customer loyalty and helping it garner word of mouth publicity. Even during lockdown, CERA Care team members continued to connect to the needy customers and provide online solutions.

There are no cases in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

The Company displays all product information on the product label, which is mandatory and as may be required by law for the use of the products by the consumers.

Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

Form No. MR-3

**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable to the extent of External Commercial Borrowings as there were no reportable events during the financial year under review;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) 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 during the year under review;

- (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not applicable during the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

**We further report that :**

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

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including women Independent Director. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

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

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

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

**We further report that:**

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

**We further report that:**

During the Audit period under review, there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.

- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations.

For Parikh Dave & Associates  
Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020  
Umesh Parikh  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN:F004152C000434406

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

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

**ANNEXURE - A**

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

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

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

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

For Parikh Dave & Associates  
Company Secretaries  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020  
Umesh Parikh  
Partner  
FCS No. 4152  
C P No.: 2413  
UDIN:F004152C000434406

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

## Independent Auditor's Report

To,  
The Members of Cera Sanitaryware Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2021, the profit (financial performance including other comprehensive income), 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") 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 ("ICAI") 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on 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 of the current period. 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 as the key audit matters to be communicated in our report.

Sr. No	Allowance for Expected Credit Losses (ECL) in respect of Trade Receivables and Capital Advances
1.	<p>The Company has made provision for Expected Credit Losses in respect of trade receivables aggregating to ` 945.53 lakhs and that of capital advances aggregating to ` 211.01 lakhs up to 31<sup>st</sup> March, 2021 as against the gross doubtful / litigated amounts in respect of trade receivables of ` 1,841.03 lakhs and capital advances of ` 468.91 lakhs. These are based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to entities the Company deals with. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Company has also determined allowance for ECL based on the information available with the Legal department of the Company.</p> <p>We identified allowance for credit losses as a key audit matter because the Company exercises significant judgement in calculating the expected credit losses.</p> <p>Refer Notes No. 8, 11, 35 and 39 to the standalone financial statements.</p>
	<p><b>How our audit addressed the Key Audit Matter</b></p> <p>Our Audit procedures related to the allowance for expected credit losses for trade receivables and capital advances included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ul style="list-style-type: none"> <li>➤ development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions;</li> <li>➤ completeness and accuracy of information used in the estimation of probability of default; and</li> <li>➤ computation of the allowance for credit losses.</li> <li>➤ For a few customers, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal source of information.</li> <li>➤ We carried out detailed analysis of balances of trade receivables and capital advances, (i) where no legal actions have been taken so far by the Company and the reasons therefor, (ii) where legal actions have been taken and the allowance for ECL has been partially / fully made and considered the reasons therefor and (iii) where legal actions have been taken but no allowance for ECL has been made and the reasons therefor.</li> <li>➤ Assessed the adequacy of allowance for ECL recorded and evaluated disclosures in the standalone financial statements in relation to these items.</li> <li>➤ Verified Balance Confirmations directly received by us from few selected trade receivables and also examined reconciliations/ discrepancies, if any.</li> <li>➤ We also reviewed the internal auditor's report for the history and current scenario of a few customers.</li> </ul>



<b>2.</b>	<b>Assessment of Carrying Value of Investments in Subsidiaries and Associates</b>
	<p>The Company has made investments in subsidiaries aggregating to ₹ 3,903.27 lakhs and has also made capital contributions aggregating to ₹ 806 lakhs in its associates, valued at cost, and are outstanding as at 31<sup>st</sup> March, 2021 which are subject to impairment assessment. On an annual basis, the management evaluates the existence of impairment indicators, such as accumulated losses, to the carrying values of these investments in its subsidiaries/ associates.</p> <p>The processes and methodologies for assessing and determining the recoverable amount of these investments, involve estimates, assumptions and significant management judgment, in particular with reference to forecasts of future cash flows relating to the terminal value, as well as long-term growth rates, discount rates, etc.</p> <p>The testing for impairment in these investments has been identified as a key audit matter in view of the significance of the amounts involved and as the determination of recoverable value for impairment assessment involves significant management judgment.</p> <p>Refer Notes No. 3.16(f), 6, 35 and 38 to the standalone financial statements.</p>
	<b>How our audit addressed the Key Audit Matter</b>
	<p>Our audit procedures for assessment of investments included the following :</p> <ul style="list-style-type: none"> <li>➤ Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's controls over impairment assessment of its investments in subsidiaries / associates.</li> <li>➤ Evaluated the Company's process regarding impairment assessment in assessing the appropriateness of the impairment model including an independent assessment of the underlying assumptions relating to discount rate, terminal value etc.</li> <li>➤ Assessed the carrying value of the investment in subsidiaries/ associates, to determine whether the valuations made by the Company were within an acceptable range and reasonable.</li> <li>➤ Checked the mathematical accuracy of the computations and agreed relevant data back to actual past results and other supporting documents.</li> <li>➤ Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.</li> <li>➤ Discussed with their auditors (wherever applicable) to develop an understanding of the operating performance and outlook used in their own valuation model and to assess consistency with the assumptions used in the model.</li> <li>➤ Evaluated the adequacy of the disclosures made in the standalone financial statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any exceptions in the management's assessment in relation to the carrying value of investments in subsidiaries / associates.</p>

#### Information Other than Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholders Information, but does not include the standalone financial statements and our auditor's report 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

#### Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows 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 read with relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and the Board of Directors are 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 and the Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors' 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.

From the matters communicated with those charged with governance, we are required to 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.

**Other Matter**

We draw attention to Notes No. 3.16(g) and 39 to the standalone audited financial results which explains the uncertainties and the management's assessment and estimation of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our report is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows (the standalone financial statements) 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 specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (g) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2021 on its financial position in its standalone financial statements – Refer Note No. 43 to the standalone financial statements.
  - ii. According to the information and explanations provided to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31<sup>st</sup> March, 2021.

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**FOR N. M. NAGRI & CO.**  
Chartered Accountants  
Firm Regn. No.106792W  
**N. M. NAGRI**  
PROPRIETOR  
Membership No. 016992  
**UDIN: 21016992AAAABH7449**

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2021)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.
- (c) The title deeds of all immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company where the Company is the lessee in the agreement.
- (2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (3) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained by the Company under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (4) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 with respect to the loans given, and investments made. The Company has not given any guarantee or provided security during the year.
- (5) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- (7) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and any other statutory dues including GST, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) The dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and GST (as applicable) which have not been deposited as at 31<sup>st</sup> March, 2021 on account of any dispute, are as given below:

Sr. No.	Name of Statute	Nature of Dues	Amount ` (Lakhs)	Period to which the amount relates (F.Y.)	Forum where dispute is Pending
1	Income Tax Act, 1961	Income Tax	29.38	2017-18	CIT-Appeals
2	Central Excise Act, 1944	Central Excise	2.77	1991-92	Supreme Court
3	Central GST and Central Excise Act, 1944	Service Tax	70.51	2014-15, 2015-16 and 2016-17	Commissioner Central GST (Appeal)
4	Punjab Value Added Tax Act 2005, (VAT) Chandigarh	Central Sales Tax and Value Added Tax	10.24	2010-11	The Deputy Excise and Taxation Commissioner (Appeal) Chandigarh
5	Central Sales tax Act 1956, Delhi	Central Sales tax	26.44	2015-16	Department of Trade and Taxes, Delhi (Appeal)

- (8) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government or dues to debenture holders, if any.
- (9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (10) To the best of our knowledge and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (11) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (12) The Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable.
- (13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (15) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with them covered under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**FOR N. M. NAGRI & CO.**  
Chartered Accountants  
Firm Regn. No.106792W  
**N. M. NAGRI**  
PROPRIETOR  
Membership No. 016992  
**UDIN: 21016992AAAABH7449**

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2021)

**Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), as of and for the year ended 31<sup>st</sup> March, 2021, we have audited the internal financial controls with reference to the standalone financial statements of the Company as of that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 the standalone financial statements.

**Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements**

A Company's internal financial controls with reference to the 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 controls with reference to the 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 authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the 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 the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the 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, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR N. M. NAGRI & CO.**  
Chartered Accountants  
Firm Regn. No.106792W  
**N. M. NAGRI**  
PROPRIETOR

Membership No. 016992

**UDIN: 21016992AAABH7449**

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

Standalone Balance Sheet as at 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	4	31,612.37	33,278.35
(b) Capital work-in-progress	4	59.97	52.94
(c) Right-of-use assets	-	1,290.34	1,642.09
(d) Other Intangible Assets	5	75.51	118.54
(e) Intangible Assets under development	5	-	-
(f) Financial Assets			
(i) Investments			
- Investments in Subsidiaries & Associates	6	4,709.27	4,231.37
- Other Investments	6	3,199.73	3,063.15
(ii) Other Financial Assets	7	1,330.91	1,275.11
(g) Other Non-current Assets	8	609.33	714.90
<b>(2) Current Assets</b>			
(a) Inventories	9	16,968.37	20,449.23
(b) Financial Assets			
(i) Investments	10	43,404.61	18,948.65
(ii) Trade Receivables	11	20,671.36	22,091.28
(iii) Cash and Cash Equivalents	12	710.07	33.88
(iv) Other Balances with Banks	13	273.70	126.26
(v) Other Financial Assets	14	445.24	361.00
(c) Other Current Assets	15	2,945.67	6,191.65
<b>Total Assets</b>		<b>1,28,306.45</b>	<b>1,12,578.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	650.29	650.29
(b) Other Equity	17	86,789.63	76,638.86
<b>Total Equity</b>		<b>87,439.92</b>	<b>77,289.15</b>
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	-	1,022.16	1,269.78
(ii) Other Financial Liabilities	18	2,749.94	2,618.84
(b) Provisions	19	1,009.24	1,037.49
(c) Deferred Tax Liabilities (Net)	20	3,265.98	3,256.58
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,242.99	1,516.33
(ii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	22	3,352.03	3,338.02
- total outstanding dues of creditors other than micro enterprises and small enterprises	22	10,932.53	5,060.00
(iii) Lease Liabilities	-	517.17	544.36
(iv) Other Financial Liabilities	23	13,789.63	14,675.62
(b) Other Current Liabilities	24	2,392.21	1,707.30
(c) Provisions	25	238.74	241.29
(d) Current Tax Liabilities (Net)	26	353.91	23.64
<b>Total Equity and Liabilities</b>		<b>1,28,306.45</b>	<b>1,12,578.40</b>

The accompanying Notes 1 to 51 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**Chartered Accountants  
(Firm Registration No.: 106792W)**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021**Rajesh B. Shah**

CFO &amp; COO

(Fin. &amp; Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

(DIN:00048827)

Chairman and Managing Director

**Deepshikha Khaitan**

(DIN:03365068)

Joint Managing Director

**Sajan Kumar Pasari**

(DIN:00370738)

Director

**Lalit Kumar Bohania**

(DIN:00235869)

Director

**Surendra Singh Baid**

(DIN:02736988)

Director

**Akriti Jain**

(DIN:08259413)

Director

**Ayush Bagla**

(DIN:01211591)

Executive Director

**Atul Sanghvi**

(DIN:00045903)

Executive Director &amp; CEO

Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

( ` in lakhs except for per equity share data)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Revenue from Operations</b>	27	<b>1,20,170.67</b>	1,20,916.40
<b>Other Income</b>	28	<b>2,178.92</b>	1,555.60
<b>Total Income</b>		<b>1,22,349.59</b>	1,22,472.00
<b>EXPENSES</b>			
Cost of Materials Consumed	29	<b>8,530.83</b>	10,489.30
Purchases of Stock-in-Trade	30	<b>52,797.09</b>	50,522.29
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	31	<b>3,402.44</b>	(2,493.23)
Employee Benefits Expense	32	<b>14,433.20</b>	16,039.80
Finance Costs	33	<b>426.77</b>	440.27
Depreciation and Amortization Expense	34	<b>3,323.04</b>	3,267.32
Other Expenses	35	<b>26,011.74</b>	30,145.41
<b>Total Expenses</b>		<b>1,08,925.11</b>	1,08,411.16
<b>Profit before tax</b>		<b>13,424.48</b>	14,060.84
<b>Tax Expense :</b>			
(1) Current Tax (net of earlier year excess provision)	36	<b>3,279.05</b>	3,712.25
(2) Deferred Tax		<b>15.10</b>	(1,245.64)
<b>Profit for the year</b>		<b>10,130.33</b>	11,594.23
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss Remeasurements of Defined Benefit plan		<b>27.31</b>	(198.65)
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>(6.87)</b>	49.99
Total Other Comprehensive Income for the year (Net of Tax)		<b>20.44</b>	(148.66)
<b>Total Comprehensive Income for the year</b>		<b>10,150.77</b>	11,445.57
<b>Earnings per equity share of face value of ` 5/- each</b>			
(1) Basic	37	<b>77.89</b>	89.15
(2) Diluted	37	<b>77.89</b>	89.15

The accompanying Notes 1 to 51 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants

(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113

**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Surendra Singh Baid** (DIN:02736988) Director  
**Akriti Jain** (DIN:08259413) Director  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Atul Sanghvi** (DIN:00045903) Executive Director & CEO

Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(` in lakhs)

Particulars	No. of Shares	Amount
<b>A. EQUITY SHARE CAPITAL</b>		
Balance as at 1 <sup>st</sup> April, 2019	1,30,05,874	650.29
Changes during the year	-	-
Balance as at 31 <sup>st</sup> March, 2020	1,30,05,874	650.29
Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,30,05,874</b>	<b>650.29</b>

Particulars	Reserves and Surplus			Other Comprehensive Income Actuarial Gain / (Loss)	Total
	Securities Premium	General Reserve	Retained Earnings		
<b>B. OTHER EQUITY</b>					
Balance as at 1 <sup>st</sup> April, 2019	8,095.94	37,572.96	24,005.33	(308.90)	69,365.33
Transition impact of Ind AS 116 (Net of Tax)	-	-	(95.44)	-	(95.44)
Transferred from Statement of Profit and Loss	-	5,967.05	(5,967.05)	-	-
Final Dividend on Equity Shares (F.Y. 2018-19)	-	-	(1,690.76)	-	(1,690.76)
Interim Dividend on Equity Shares (F.Y. 2019-20)	-	-	(1,690.76)	-	(1,690.76)
Tax on Dividend	-	-	(695.08)	-	(695.08)
Remeasurement of Defined Benefit Plan	-	-	-	(198.65)	(198.65)
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	49.99	49.99
Profit for the year	-	-	11,594.23	-	11,594.23
Balance as at 31 <sup>st</sup> March, 2020	8,095.94	43,540.01	25,460.47	(457.56)	76,638.86
Transferred from Statement of Profit and Loss	-	5,460.46	(5,460.46)	-	-
Dividend on Equity Shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Remeasurement of Defined Benefit Plan	-	-	-	27.31	27.31
Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	(6.87)	(6.87)
Profit for the year	-	-	10,130.33	-	10,130.33
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>8,095.94</b>	<b>49,000.47</b>	<b>30,130.34</b>	<b>(437.12)</b>	<b>86,789.63</b>

The accompanying Notes 1 to 51 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
  
**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Surendra Singh Baid** (DIN:02736988) Director  
**Akriti Jain** (DIN:08259413) Director  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Atul Sanghvi** (DIN:00045903) Executive Director & CEO



Standalone Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021

(₹ in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A. Cash flows from Operating activities</b>		
<b>Net Profit before tax</b>	<b>13,424.48</b>	<b>14,060.84</b>
<b>Adjustments for :</b>		
Depreciation & Amortization	3,323.04	3,267.32
Allowance for expected credit loss - Trade Receivables	336.07	404.51
Allowance for expected credit loss - Capital Advance	117.23	93.78
Impairment Loss on Investment / Business Loss in Associate Entities	32.60	0.77
Amortization of Prepaid Rentals	13.35	18.11
Bad Debts	16.00	1.44
Finance Cost (Other than Loss on Foreign Exchange Fluctuations)	421.58	440.27
Interest on Security Deposit (Non Cash)	(12.60)	(16.74)
Other Interest Received	(291.91)	(200.71)
Foreign Exchange Variation (Income) / Loss (Net)	7.22	7.18
Profit on Sale of Investments	(63.99)	(135.92)
Net Gain on Fair Valuation of Investments in Mutual Funds	(1,648.46)	(1,130.57)
Liabilities & Provisions no longer required, written back	(111.97)	(45.98)
Loss / (Gain) on Foreign Currency Translation (Net)	5.19	(5.98)
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	(30.02)	157.08
Share of Profit on Investment in LLP	(5.10)	-
Loss / (Gain) on Termination of Lease	3.34	-
	<b>2,111.57</b>	<b>2,854.56</b>
<b>Operating profit before working capital changes</b>	<b>15,536.05</b>	<b>16,915.40</b>
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in Inventories	3,480.86	(2,531.60)
(Increase)/Decrease in Trade Receivables	1,067.86	7,203.57
(Increase)/Decrease in Other Financial Assets	(34.94)	35.89
(Increase)/ Decrease in Other Assets	3,183.28	(1,611.88)
Increase/(Decrease) in Trade Payable	5,886.54	(1,020.54)
Increase/(Decrease) in Other Financial Liabilities	(592.33)	(1,277.60)
Increase/(Decrease) in Provisions	(53.42)	255.50
Increase/(Decrease) in Other Liabilities	684.92	(620.45)
	<b>13,622.77</b>	<b>432.89</b>
<b>Cash generated from operations</b>	<b>29,158.82</b>	<b>17,348.29</b>
Income Taxes paid	(2,961.35)	(5,024.76)
<b>Net cash generated by Operating activities (Total-A)</b>	<b>26,197.47</b>	<b>12,323.53</b>
<b>B. Cash flow from Investing activities</b>		
Payments for Property, Plant and Equipments, Capital Work-in-progress & Capital Advances	(954.66)	(4,130.83)
Payments for Computer Software	(24.14)	(52.25)
Proceeds from sale of Property, Plant and Equipments & Intangible Assets	57.58	93.43
Payments for purchase of Debentures	(1,221.57)	(203.42)
Proceeds from redemption of Debentures	1,371.24	-
Proceeds / (Payments) from Fixed Deposit	(253.07)	118.70
Payments for purchase of Mutual Funds	(39,882.19)	(18,050.00)
Proceeds from sale of Mutual Funds	17,138.68	16,072.80
Payments for purchase of Bonds	(307.22)	(1,589.35)
Proceeds from redemption of Bonds	20.96	-
Payments for Investments in Subsidiaries & Associates	(510.00)	-
Share of Profit on Investment in LLP	5.10	-
Interest Received	291.91	151.62
Dividend Income	-	24.23
<b>Net cash used in Investing activities (Total-B)</b>	<b>(24,267.38)</b>	<b>(7,565.07)</b>

(` in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>C. Cash flow from Financing activities</b>		
Payment of Lease Liabilities	(729.77)	(717.23)
Repayment of Short Term Borrowings (Working Capital)	(273.34)	(303.03)
Dividend on Equity Shares paid	-	(3,381.52)
Tax on Dividend	-	(695.08)
Finance Cost (Other than Non Cash)	(250.79)	(234.65)
<b>Net cash used in Financing activities (Total-C)</b>	<b>(1,253.90)</b>	<b>(5,331.51)</b>
<b>Net increase in Cash &amp; cash equivalents (A+B+C)</b>	<b>676.19</b>	<b>(573.05)</b>
<b>Cash &amp; cash equivalent - Opening Balance</b>	<b>33.88</b>	<b>606.93</b>
<b>Cash &amp; cash equivalent - Closing Balance</b>	<b>710.07</b>	<b>33.88</b>

**Notes to Cash Flow Statement**

- Components of cash & cash equivalents

Balances with banks	700.20	23.22
Cash on Hand	9.87	10.66
<b>Cash &amp; cash equivalents considered in Cash Flow Statement</b>	<b>710.07</b>	<b>33.88</b>
- The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.
- Reconciliation of Liabilities arising from Financing activities

(` in lakhs)

Particulars	Outstanding as at 1 <sup>st</sup> April, 2020	Cash Flows	Non-Cash Changes	Outstanding as at 31 <sup>st</sup> March, 2021
Short Term Borrowings	1,516.33	(273.34)	-	1,242.99
Lease Liabilities	1,814.14	(729.77)	454.96	1,539.33
<b>Total Liabilities from Financing activities</b>	<b>3,330.47</b>	<b>(1,003.11)</b>	<b>454.96</b>	<b>2,782.32</b>

**Significant Accounting Policies****Note 3.7**

The accompanying Notes 1 to 51 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**

CFO & COO

(Fin. & Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

**Deepshikha Khaitan**

**Sajan Kumar Pasari**

**Lalit Kumar Bohania**

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(DIN:00235869)

(DIN:02736988)

(DIN:08259413)

(DIN:01211591)

(DIN:00045903)

Chairman and Managing Director

Joint Managing Director

Director

Director

Director

Director

Executive Director

Executive Director & CEO

## Significant Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021

### 1. Corporate Information

Cera Sanitaryware Limited (the "Company") is a public limited company domiciled in India having its registered office situated at 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat, India. The Company was incorporated on 17<sup>th</sup> July, 1998, under the provisions of the Companies Act, 1956 applicable in India and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is engaged in the business of manufacturing, selling and trading of building products and is having non-conventional wind & solar power for captive use in the State of Gujarat.

### 2. Basis of Preparation

#### 2.1 Statement of Compliance with Ind AS.

The Standalone Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the subsequent amendments from time to time, notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These Standalone Financial Statements of the Company as at and for the year ended 31<sup>st</sup> March, 2021 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 10<sup>th</sup> June, 2021.

#### 2.2 Functional and Presentation Currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also a functional currency. All the values have been rounded off to the nearest lakh, unless otherwise indicated.

#### 2.3 Basis of Measurement

These Standalone Financial Statements have been prepared on a historical cost convention except certain financial assets and liabilities which are measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities (including Derivative Instruments)	Fair Value

### 3. Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### (a) Tangible Assets

##### [i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 "Revenue from Contracts with Customers".

##### [ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### [iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

##### [iv] Research and Development Cost

Research and Development Costs that are in the nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

##### [v] Depreciation/Amortization

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery and electric plant and installation and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on external/internal technical evaluation as under:

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Other Buildings on leased premises	10 years

The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Company's Plant and Equipments are considered on the basis of continuous process plant.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (upto) the date on which asset is ready for use (disposed of).

(b) **Capital work-in-progress**

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

(c) **Intangible Assets**

[i] **Initial Recognition and Classification**

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

[ii] **Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

[iii] **Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the written down value method and is included in Depreciation and Amortisation expense in the Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

[iv] **Derecognition**

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

[v] **Intangible Assets under Development**

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under Development".

(d) **Impairment of Non Financial Assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.2 **Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

3.3 **Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.4 **Current versus Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset/ liability is treated as current when it is:-

- \* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
- \* Held primarily for the purpose of trading.

- \* Expected to be realised/ settled within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

### 3.5 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess/ shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

### 3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### 3.7 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- \* a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- \* a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

### 3.9 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### 3.10 Foreign Currency Transactions and Translations

#### Initial Recognition

The Company's financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

In case of advance receipts/payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

#### Measurement at the Balance Sheet Date

Foreign Currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

### 3.11 Revenue from Contracts with Customers

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Further, the Company evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

#### **Sale of Goods**

Most of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

The Company provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Retrospective volume rebates give rise to variable consideration. To estimate the variable consideration, the Company considers that the most likely amount method better predicts the amount of variable consideration.

The Company provides for warranties for general repairs and replacement which will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

#### **Rendering of Services**

The Company is rendering after sales services for its sold products. The after sales services is rendered against independent contracts with customers or against assurance type warranty for goods sold. Revenue from sale of services is recognised at an amount entitled in exchange for transferring services at a point in time to a customer.

#### **Interest, Dividends and Other Income**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the unconditional right to receive payment is established. Other income is recognised on accrual basis except where the receipt of income is uncertain.

### 3.12 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective 1<sup>st</sup> April, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

#### **Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are

discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer Note No. 43, classification of leases and other disclosures relating to leases.

#### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **3.13 Employee Benefits**

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### **Defined Contribution Plans**

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

#### **Defined Benefit Plans**

The Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

#### **Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### **Long-term Employee Benefits**

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

### **3.14 Taxes on Income**

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

#### **(a) Current Tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **(b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3.15 Equity, Reserves and Dividend Payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution (including interim dividend) to equity shareholders is accounted for in the year of actual distribution.

### 3.16 Significant Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### (a) Impairment of Non-financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators.

##### (b) Estimation of Defined Benefit Obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



**(c) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(d) Estimation of Current Tax and Deferred Tax**

Management judgment is required for the calculation of provision for income – taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

**(e) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of Investments in Subsidiaries, Joint Ventures and Associates**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the estimated recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

**(g) Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the profitability, liquidity and on the carrying amounts of receivables, inventories, other financial assets and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered in near future. The impact of COVID-19 on the Company's financial results may differ from that estimated.

**3.17 Fair Value Measurement**

The Company measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- \* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- \* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- \* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.18 Financial Instruments****I. Financial Assets****(a) Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

**(b) Subsequent Measurement****[i] Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**[ii] Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**[iii] Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

**(c) Impairment of Financial Assets**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(d) Derecognition of Financial Assets**

A financial asset is derecognised when:

- \* The Company has transferred the right to receive cash flows from the financial assets or
- \* Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognise the financial asset.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**II. Financial Liabilities****Initial Recognition and Subsequent Measurement**

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**III. Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**IV. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**V. Investment in Subsidiaries, Joint Ventures and Associates**

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost less impairment loss, if any.

**3.19 Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a Notification, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**I. Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**II. Statement of Profit and Loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes to Standalone financial statements for the year ended 31<sup>st</sup> March, 2021

## Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

## (a) Property, Plant and Equipment

(₹ in lakhs)

Sr. No.	Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
<b>1</b>	<b>Cost of Assets</b>									
	As at 1 <sup>st</sup> April, 2019	6.14	858.55	13,322.55	25,092.66	1,987.88	1,101.58	580.17	983.23	43,932.76
	Addition / Transfers	-	102.49	3,124.56	1,580.39	635.37	110.88	117.75	83.01	5,754.45
	Disposal / Adjustments	(6.14)	-	-	(298.98)	(1.80)	(36.74)	-	(33.91)	(377.57)
	<b>As at 31<sup>st</sup> March, 2020</b>	-	961.04	16,447.11	26,374.07	2,621.45	1,175.72	697.92	1,032.33	49,309.64
	Addition / Transfers	-	350.27	79.76	307.79	123.65	65.00	29.03	29.34	<b>984.84</b>
	Disposal / Adjustments	-	-	-	(0.02)	(12.35)	(47.59)	(4.11)	(63.65)	<b>(127.72)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	-	<b>1,311.31</b>	<b>16,526.87</b>	<b>26,681.84</b>	<b>2,732.75</b>	<b>1,193.13</b>	<b>722.84</b>	<b>998.02</b>	<b>50,166.76</b>
<b>2</b>	<b>Depreciation / Amortization</b>									
	As at 1 <sup>st</sup> April, 2019	0.30	-	4,232.94	6,674.76	770.48	886.96	403.83	547.66	13,516.93
	Charge for the year	-	-	752.88	962.59	552.73	132.01	93.06	144.01	2,637.28
	Disposal / Adjustments	(0.30)	-	-	(70.41)	(1.16)	(31.58)	-	(19.47)	(122.92)
	<b>As at 31<sup>st</sup> March, 2020</b>	-	-	4,985.82	7,566.94	1,322.05	987.39	496.89	672.20	16,031.29
	Charge for the year	-	-	832.99	1,010.41	473.39	101.89	90.16	114.42	<b>2,623.26</b>
	Disposal / Adjustments	-	-	-	(0.02)	(7.38)	(42.94)	(2.08)	(47.74)	<b>(100.16)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	-	-	<b>5,818.81</b>	<b>8,577.33</b>	<b>1,788.06</b>	<b>1,046.34</b>	<b>584.97</b>	<b>738.88</b>	<b>18,554.39</b>
<b>3</b>	<b>Net Block</b>									
	As at 31 <sup>st</sup> March, 2020	-	961.04	11,461.29	18,807.13	1,299.40	188.33	201.03	360.13	33,278.35
	<b>As at 31<sup>st</sup> March, 2021</b>	-	<b>1,311.31</b>	<b>10,708.06</b>	<b>18,104.51</b>	<b>944.69</b>	<b>146.79</b>	<b>137.87</b>	<b>259.14</b>	<b>31,612.37</b>
<b>(b)</b>	<b>Capital work-in-progress</b>									
	As at 1 <sup>st</sup> April, 2019	-	0.18	905.05	151.15	11.78	-	4.18	0.02	1,072.36
	Addition	-	52.29	1,843.33	206.58	49.97	-	0.31	-	2,152.48
	Transfers / Adjustments	-	(52.47)	(2,744.87)	(308.30)	(61.75)	-	(4.49)	(0.02)	(3,171.90)
	<b>As at 31<sup>st</sup> March, 2020</b>	-	-	3.51	49.43	-	-	-	-	52.94
	Addition	-	-	53.70	37.88	-	-	-	-	<b>91.58</b>
	Transfers / Adjustments	-	-	(10.16)	(74.39)	-	-	-	-	<b>(84.55)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	-	-	<b>47.05</b>	<b>12.92</b>	-	-	-	-	<b>59.97</b>

## Notes:

- Previous period's figures have been re-grouped /re-classified wherever required to current year's classification.
- Items of Property, Plant & Equipment situated at 9, GIDC Industrial Estate & Residential Colony - Kadi (Survey No. 417/2 & 420/1,2) are mortgaged (EM) / hypothecated and fixed assets at Kadoli and Kalyanpur Windmills are hypothecated with State Bank of India against working capital facilities availed.
- Cost of Buildings includes ownership offices in co-operative societies for ₹ 2,179.55 lakhs (Previous year ₹ 2,179.55 lakhs) including 40 shares of ₹ 50/- each and 10 shares of ₹ 50/- each in respective Co-operative societies.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ₹ 94.37 lakhs as on 31<sup>st</sup> March, 2021 & ₹ 746.22 lakhs as on 31<sup>st</sup> March, 2020. [Refer Note No. 43(b)]

## Note-5. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Sr. No.	Particulars	Computer Softwares
<b>1</b>	<b>Cost of Assets</b>	
	As at 1 <sup>st</sup> April, 2019	518.47
	Addition / Transfers	105.02
	Disposal / Adjustments	(5.11)
	As at 31 <sup>st</sup> March, 2020	618.38
	Addition / Transfers	<b>24.14</b>
	Disposal / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>642.52</b>
<b>2</b>	<b>Amortization</b>	
	As at 1 <sup>st</sup> April, 2019	432.00
	Charge for the year	71.25
	Disposal / Adjustments	(3.41)
	As at 31 <sup>st</sup> March, 2020	499.84
	Charge for the year	<b>67.17</b>
	Disposal / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>567.01</b>
<b>3</b>	<b>Net Block</b>	
	As at 31 <sup>st</sup> March, 2020	118.54
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>75.51</b>
	<b>Intangible Assets under development</b>	
	As at 1 <sup>st</sup> April, 2019	52.77
	Addition	-
	Transfers / Adjustments	(52.77)
	As at 31 <sup>st</sup> March, 2020	-
	Addition	-
	Transfers / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	-

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 6. INVESTMENTS - NON-CURRENT</b>			
<b>Non-Current Investments</b>			
<b>Trade Investments (valued at cost unless otherwise specified)</b>			
<b>Investments in Subsidiaries &amp; Associates</b>			
<b>A</b>	<b>Investments in Equity Instruments</b>		
<b>1</b>	<b>Investment in Subsidiary Company (Unquoted)</b>		
	Fully paid Equity Shares		
	1,02,00,000 Equity Shares of Anjani Tiles Limited of ` 10/- each fully paid up	<b>1,020.00</b>	510.00
	(51,00,000 Equity Shares of ` 10/- each fully paid up as at 31 <sup>st</sup> March, 2020)		
<b>2</b>	<b>Investments in Associates (Unquoted)</b>		
(a)	Nil Equity Shares of Cera Sanitaryware Ltd FZC-Sharjah	-	2.20
	(12 Shares of AED 1000/- each fully paid up as at 31 <sup>st</sup> March, 2020)		
	Less: Impairment Loss	-	(0.77)
	Less: Transferred to Note No. 15 due to closure of operations	-	(1.43)
		-	-
(b)	175 Equity Shares of Cera Sanitaryware Trading LLC-Dubai of AED 1000/- each fully paid up	<b>32.10</b>	32.10
	(175 Shares as at 31 <sup>st</sup> March, 2020)		
	Less: Impairment Loss (Refer Note No. 6.2)	<b>(32.10)</b>	-
		-	32.10
	<b>Total (A)</b>	<b>1,020.00</b>	<b>542.10</b>
<b>B</b>	<b>Investments in Preference Shares</b>		
	<b>Investment in Subsidiary Company (Unquoted)</b>		
	2,42,30,000 1% Cumulative Redeemable Preference Shares of	<b>2,423.00</b>	2,423.00
	Anjani Tiles Limited of ` 10/- each fully paid up		
	(2,42,30,000 1% Cumulative Redeemable Preference Shares as at 31 <sup>st</sup> March, 2020)		
	<b>Total (B)</b>	<b>2,423.00</b>	<b>2,423.00</b>
<b>C</b>	<b>Investments in Limited Liability Partnership (Unquoted)</b>		
(a)	Packcart Packaging LLP (Subsidiary)	<b>90.78</b>	90.78
(b)	Race Polymer Arts LLP (Subsidiary)	<b>369.49</b>	369.49
(c)	Milo Tile LLP (Associate entity)	<b>806.00</b>	806.00
	<b>Total (C)</b>	<b>1,266.27</b>	<b>1,266.27</b>
	<b>Total Trade Investments in Subsidiaries &amp; Associates (A + B + C)</b>	<b>4,709.27</b>	<b>4,231.37</b>
	<b>Non Trade Investments</b>		
<b>D</b>	<b>Investments in Debentures (at amortised cost) (Unquoted)</b>		
(a)	State Bank of India Series1 9.56% - NCD Perpetual	<b>102.43</b>	103.75
	10 Units of face value of ` 10,00,000 per unit		
	(10 Units of face value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020)		
(b)	State Bank of India Series1 7.74% - NCD Perpetual	<b>501.25</b>	-
	50 Units of face value of ` 10,00,000 per unit		
	(Nil as at 31 <sup>st</sup> March, 2020)		
(c)	Mahindra And Mahindra Financial Services Ltd SR AG2020 BR NCD 06JU22	<b>211.32</b>	-
	20 Units of face Value of ` 10,00,000 per unit		
	(Nil as at 31 <sup>st</sup> March, 2020)		
(d)	State Bank of India Series 1 7.73% - NCD Perpetual	<b>509.00</b>	-
	50 Units of face value of ` 10,00,000 per unit		
	(Nil as at 31 <sup>st</sup> March, 2020)		
(e)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures	-	1,145.08
	Nil Units		
	(100 Units of face Value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020)		
(f)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures	-	224.84
	Nil Units		
	(20 Units of face Value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020)		
	<b>Total (D)</b>	<b>1,324.00</b>	<b>1,473.67</b>

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>E</b>	<b>Investments in Bonds (at amortised cost) (Unquoted)</b>		
(a)	Indian Railway Finance Corporation Limited 8 / 8.15 (Tax free) 50,000 Bonds of face value of ` 1,000 per Bond (50,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	<b>514.03</b>	523.25
(b)	Rural Electrification Corporation Limited SR - 2 8.12 / 8.32 (Tax free) 28,000 Bonds of face value of ` 1,000 per Bond (28,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	<b>317.68</b>	322.04
(c)	Indian Railway Finance Corporation Limited 7.18 / 7.68 (Tax free) 30,000 Bonds of face value of ` 1,000 per Bond (30,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	<b>309.02</b>	311.78
(d)	Indian Railway Finance Corporation Limited SR-79 A 7.77 (Tax free) 385 Bonds of face value of ` 1,00,000 per Bond (385 Bonds of face value of ` 1,00,000 per Bond as at 31 <sup>st</sup> March, 2020)	<b>427.65</b>	432.28
(e)	HDFC Bank Limited SR-1 8.85 BD Perpetual 30 Bonds of face value of ` 10,00,000 per Bond (Nil as at 31 <sup>st</sup> March, 2020)	<b>307.22</b>	-
	<b>Total (E)</b>	<b>1,875.60</b>	1,589.35
<b>F</b>	<b>Investments in Government Securities (at cost) (Unquoted)</b>		
	National Savings Certificates (Deposited with Government Department)	<b>0.13</b>	0.13
	<b>Total (F)</b>	<b>0.13</b>	0.13
	<b>Total Non-Trade Investments (D + E + F)</b>	<b>3,199.73</b>	3,063.15
	<b>Aggregate amount of Unquoted Investments (A + B + C + D + E + F)</b>	<b>7,909.00</b>	7,294.52
	<b>Aggregate amount of Impairment in value of Investments</b>	<b>32.10</b>	0.77

## Notes :

Sr. No.	Name of Partners	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
		Capital (` in lakhs)	Share percentage	Capital (` in lakhs)	Share percentage
<b>6.1(A)</b>	<b>Investment in Packcart Packaging LLP (subsidiary), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	90.78	51%	90.78	51%
2	Smt. Kinjal Bhatt	87.22	49%	87.22	49%
	<b>Total</b>	<b>178.00</b>	<b>100%</b>	<b>178.00</b>	<b>100%</b>
<b>6.1(B)</b>	<b>Investment in Race Polymer Arts LLP (subsidiary), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	369.49	51%	369.49	51%
2	Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP)	355.00	49%	355.00	49%
	<b>Total</b>	<b>724.49</b>	<b>100%</b>	<b>724.49</b>	<b>100%</b>
<b>6.1(C)</b>	<b>Investment in Milo Tile LLP (associate entity), their partners, total capital and shares of each partner are as under :</b>				
1	Cera Sanitaryware Limited	806.00	26%	806.00	26%
2	Shri Rameshbhai Vashrambhai Bhalodia	100.00	28%	100.00	28%
3	Smt. Ansoyaben Rameshbhai Bhalodia	80.00	12%	80.00	12%
4	Shri Milanbhai Rameshbhai Bhalodia	80.00	12%	80.00	12%
5	Shri Kevin Rameshbhai Bhalodia	70.00	12%	70.00	12%
6	Smt. Jalpaben Milanbhai Bhalodia	35.00	5%	35.00	5%
7	Smt. Sweta Kevin Bhalodia	35.00	5%	35.00	5%
	<b>Total</b>	<b>1,206.00</b>	<b>100%</b>	<b>1,206.00</b>	<b>100%</b>
<b>6.2</b>	Business operations of Cera Sanitaryware Trading LLC-Dubai (Associate) have been closed / terminated w.e.f. 12 <sup>th</sup> October, 2020 due to continuing unviable business operations. The appropriate Authority at Dubai has commenced the company closure process. The Company has therefore provided for the impairment loss of the entire capital contribution in this LLC of ` 32.10 lakhs.				

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%)		Activities
			As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020	
<b>6.3 Ownership Interest in Subsidiaries :</b>					
1	Equity Shares of Anjani Tiles Limited	India	51%	51%	} Manufacturing of Tiles
2	1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited	India	53.84%	53.84%	
3	Investment in Limited Liability Partnership - Packcart Packaging LLP	India	51%	51%	} Manufacturing of Corrugated Boxes
4	Investment in Limited Liability Partnership - Race Polymer Arts LLP	India	51%	51%	
<b>6.4 Ownership Interest in Associates :</b>					
1	Shares of Cera Sanitaryware Trading LLC (Refer Note No. 6.2)	Dubai	-	25%	} Trading of Tiles, flooring materials & Sanitaryware
2	Milo Tile LLP	India	26%	26%	

(` in lakhs)

Sr. No.	Particulars	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT</b>			
<b>At amortised cost</b>			
1	Security Deposits (Unsecured, considered good)	84.60	121.31
2	Advance Contribution to Subsidiary*	140.51	140.51
<b>Other Bank Balances</b>			
3	Bank FDs with more than 12 months maturity	605.50	707.60
4	Margin Money Deposits with bank held as security with more than 12 months maturity	500.30	305.69
<b>Total</b>		<b>1,330.91</b>	<b>1,275.11</b>

\* Refer Note No. 38

**Note - 8. OTHER NON-CURRENT ASSETS**

1	<b>Capital Advances</b>	548.32	585.53
	Less: Allowance for Expected Credit Loss (Refer Note No. 35)	(211.01)	(93.78)
	<b>Net Capital Advances</b>	<b>337.31</b>	<b>491.75</b>
2	<b>Advances other than Capital Advances</b>		
	(a) Others Advances (Unsecured, considered good)		
	(i) Advance Lease Rentals - Security Deposits	16.80	20.73
	(b) Advance Income Tax for earlier years	255.22	202.42
<b>Total</b>		<b>609.33</b>	<b>714.90</b>

**Note - 9. INVENTORIES**

As taken, valued &amp; certified by the Management

At lower of Cost and Net Realisable Value

1	Raw Materials	2,241.66	2,232.55
2	Work-in-progress	824.70	792.12
3	Finished Goods	2,481.11	5,386.80
4	Stock-in-trade	10,273.26	10,802.59
5	Stores and Spares	1,147.64	1,235.17
<b>Total</b>		<b>16,968.37</b>	<b>20,449.23</b>

Note :

9.1 Inventories are hypothecated to secure working capital facilities from State Bank of India.

**Note - 10. INVESTMENTS - CURRENT**

Current Investments

Investments in Mutual Funds (Unquoted)

Measured at fair Value through Profit &amp; Loss (FVTPL)

1	SBI Savings Fund - Direct Plan -Growth 22160648.6000 Units NAV of ` 34.1958 each (7976280.2420 Units NAV of ` 32.3670 each as at 31 <sup>st</sup> March, 2020)	7,578.01	2,581.68
2	IDFC Corporate Bond Fund Regular Plan Growth 4905590.7810 Units NAV of ` 15.0230 each (9494369.4800 Units NAV of ` 13.7813 each as at 31 <sup>st</sup> March, 2020)	736.97	1,308.45

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
3	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 7162196.6570 Units NAV of ` 24.9279 each (3175675.7250 Units NAV of ` 22.9139 each as at 31 <sup>st</sup> March, 2020)	1,785.39	727.67
4	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund - Growth) 629432.2520 Units NAV of ` 30.8536 each (2923816.4170 Units NAV of ` 28.6042 each as at 31 <sup>st</sup> March, 2020)	194.20	836.33
5	HDFC Banking & PSU Debt Fund - Regular Plan - Growth 2026124.5910 Units NAV of ` 17.8375 each (3940457.2120 Units NAV of ` 16.5211 each as at 31 <sup>st</sup> March, 2020)	361.41	651.01
6	Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) 44832.9110 Units NAV of ` 2097.7900 each (44832.9110 Units NAV of ` 1940.9982 each as at 31 <sup>st</sup> March, 2020)	940.50	870.21
7	SBI Magnum Ultra Short Duration Fund Direct Growth 47195.7030 Units NAV of ` 4718.9734 each (10671.6110 Units NAV of ` 4479.6480 each as at 31 <sup>st</sup> March, 2020)	2,227.15	478.05
8	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 4164632.5570 Units NAV of ` 19.5405 each (4164632.5570 Units NAV of ` 17.9641 each as at 31 <sup>st</sup> March, 2020)	813.79	748.14
9	Axis Short Term Fund - Growth (ST-GP) 4491579.0260 Units NAV of ` 23.8933 each (2674776.8050 Units NAV of ` 22.1393 each as at 31 <sup>st</sup> March, 2020)	1,073.19	592.18
10	Axis Banking & PSU Debt Fund - Regular Growth (BD-GP) 54671.6500 Units NAV of ` 2059.4026 each (44644.7180 Units NAV of ` 1911.3661 each as at 31 <sup>st</sup> March, 2020)	1,125.91	853.33
11	IDFC Banking & PSU Debt Fund - Regular Plan - Growth 5750828.9360 Units NAV of ` 19.2347 each (1644841.0060 Units NAV of ` 17.7431 each as at 31 <sup>st</sup> March, 2020)	1,106.15	291.84
12	L & T Banking and PSU Debt Fund - Regular Growth 5507136.2820 Units NAV of ` 19.4044 each (2940258.9600 Units NAV of ` 17.9846 each as at 31 <sup>st</sup> March, 2020)	1,068.63	528.79
13	L & T Banking and PSU Debt Fund Direct Plan - Growth 583083.5790 Units NAV of ` 20.1120 each (583083.5790 Units NAV of ` 18.5660 each as at 31 <sup>st</sup> March, 2020)	117.27	108.26
14	SBI Magnum Low Duration Fund - Direct Growth 411058.9000 Units NAV of ` 2795.7642 each (100191.4170 Units NAV of ` 2629.9735 each as at 31 <sup>st</sup> March, 2020)	11,492.24	2,635.01
15	ICICI Prudential Corporate Bond Fund - Growth 2831219.4670 Units NAV of ` 22.6880 each (1353866.1490 Units NAV of ` 20.8260 each as at 31 <sup>st</sup> March, 2020)	642.35	281.96
16	L & T Short Term Bond Fund - Growth 2521308.8490 Units NAV of ` 20.8400 each (1001359.7410 Units NAV of ` 19.4792 each as at 31 <sup>st</sup> March, 2020)	525.44	195.06
17	SBI Corporate Bond Fund - Regular Plan Growth 9761597.1200 Units NAV of ` 12.0821 each (913450.5590 Units NAV of ` 11.2190 each as at 31 <sup>st</sup> March, 2020)	1,179.41	102.48
18	Edelweiss Mutual Fund Bharat Bond ETF- April-2030 40000 Units NAV of ` 1134.3684 each (40000 Units NAV of ` 1040.3362 each as at 31 <sup>st</sup> March, 2020)	453.75	416.13
19	Kotak Banking and PSU Debt Fund - Regular Plan - Growth 1270249.3920 Units NAV of ` 50.3152 each (857765.3500 Units NAV of ` 46.7166 each as at 31 <sup>st</sup> March, 2020)	639.13	400.72
20	Kotak Floating Rate Fund - Regular Plan - Growth 195064.6600 Units NAV of ` 1149.8455 each (56760.4220 Units NAV of ` 1062.8972 each as at 31 <sup>st</sup> March, 2020)	2,242.94	603.30
21	L & T Triple Ace Bond Fund - Direct Plan - Growth 1335436.2750 Units NAV of ` 59.6391 each (909243.0010 Units NAV of ` 55.2667 each as at 31 <sup>st</sup> March, 2020)	796.44	502.51



Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
22	L & T Triple Ace Bond Fund - Growth 1097031.1720 Units NAV of ` 56.8021 each (380457.4240 Units NAV of ` 52.8158 each as at 31 <sup>st</sup> March, 2020)	623.14	200.94
23	ICICI Prudential Banking & PSU Debt Fund - Growth 3439414.8080 Units NAV of ` 24.9814 each (Nil Units as at 31 <sup>st</sup> March, 2020)	859.21	-
24	IDFC Bond Fund - Short Term Plan - Regular Plan - Growth 2076176.3730 Units NAV of ` 44.6658 each (Nil Units as at 31 <sup>st</sup> March, 2020)	927.34	-
25	HDFC Corporate Bond Fund - Direct Plan - Growth 1463914.5070 Units NAV of ` 25.1835 each (Nil Units as at 31 <sup>st</sup> March, 2020)	368.66	-
26	ICICI Prudential Short Term Fund Growth 2371754.8990 Units NAV of ` 45.8632 each (Nil Units as at 31 <sup>st</sup> March, 2020)	1,087.76	-
27	Kotak Floating Rate Fund - Direct Plan Growth 13375.9980 Units NAV of ` 1157.0556 each (Nil Units as at 31 <sup>st</sup> March, 2020)	154.77	-
28	SBI Dynamic Bond Fund - Direct Growth 709853.9780 Units NAV of ` 29.2065 each (Nil Units as at 31 <sup>st</sup> March, 2020)	207.32	-
29	Bharat Bond FOF-April 2025 - Direct Plan - Growth 5046123.8910 Units NAV of ` 10.2339 each (Nil Units as at 31 <sup>st</sup> March, 2020)	516.42	-
30	Axis Corporate Debt Fund - Regular Growth (CO-GP) 8021457.6570 Units NAV of ` 13.1754 each (Nil Units as at 31 <sup>st</sup> March, 2020)	1,056.86	-
31	DSP Bond Fund - Regular Plan Growth 791425.2720 Units NAV of ` 63.5391 each (Nil Units as at 31 <sup>st</sup> March, 2020)	502.86	-
32	Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular Plan (Formerly Aditya Birla Sun Life Short Term Fund) Nil Units (693748.2870 Units NAV of ` 78.2543 each as at 31 <sup>st</sup> March, 2020)	-	542.89
33	SBI Liquid Fund Direct Growth (Formerly SBI Premier Liquid Fund - Direct Plan - Growth) Nil Units (39699.7110 Units NAV of ` 3109.0184 each as at 31 <sup>st</sup> March, 2020)	-	1,234.27
34	L & T Low Duration Fund - Growth (Formerly L & T Short Term Income Fund - Growth) Nil Units (405099.6260 Units NAV of ` 20.9825 each as at 31 <sup>st</sup> March, 2020)	-	85.00
35	ICICI Prudential Short Term Fund - Growth Option Nil Units (302519.6860 Units NAV of ` 42.1693 each as at 31 <sup>st</sup> March, 2020)	-	127.57
36	Kotak Medium Term Fund - Regular Plan - Growth Nil Units (1867078.9180 Units NAV of ` 16.2921 each as at 31 <sup>st</sup> March, 2020)	-	304.19
37	IDFC Credit Risk Fund - Regular Plan - Growth (Formerly IDFC Credit Opportunities Fund - Regular Plan - Growth) Nil Units (2001380.9530 Units NAV of ` 12.3386 each as at 31 <sup>st</sup> March, 2020)	-	246.94
38	ICICI Prudential Credit Risk Fund - Growth (Formerly ICICI Prudential Regular Savings Fund - Growth) Nil Units (559816.3800 Units NAV of ` 21.7478 each as at 31 <sup>st</sup> March, 2020)	-	121.75
39	HDFC Credit Risk Debt Fund (in which HDFC Regular Savings Fund - Regular Plan Growth (Short Term) merged) Nil Units (2234714.4310 Units NAV of ` 16.6461 as at 31 <sup>st</sup> March, 2020)	-	371.99
	<b>Total</b>	<b>43,404.61</b>	<b>18,948.65</b>
	<b>Aggregate Cost of Unquoted Investments</b>	<b>41,440.35</b>	<b>17,277.06</b>
	<b>Aggregate Fair Value of Unquoted Investments</b>	<b>43,404.61</b>	<b>18,948.65</b>

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 11. TRADE RECEIVABLES - CURRENT</b>			
1	Trade Receivables considered good - Secured	2,630.71	2,500.86
2	Trade Receivables considered good - Unsecured	17,145.15	19,048.12
3	Trade Receivables which have significant increase in Credit Risk	-	-
4	Trade Receivables - credit impaired	1,841.03	1,152.85
		<u>21,616.89</u>	<u>22,701.83</u>
	Less: Allowance for Expected Credit Losses on (4) above	945.53	610.55
	<b>Total</b>	<u>20,671.36</u>	<u>22,091.28</u>
<b>Movement in Allowance for Expected Credit Losses</b>			
	<b>Balance at the beginning of the year</b>	610.55	206.61
	Allowance for Expected Credit Losses provided during the year (Refer Note No. 35)	336.07	404.51
	Amounts written back during the year	(1.09)	(0.57)
	Amounts of Trade Receivables written off during the year	-	-
	<b>Balance at the end of the year</b>	<u>945.53</u>	<u>610.55</u>
<b>Notes :</b>			
11.1 Trade Receivables are hypothecated to secure working capital facilities from State Bank of India.			
11.2 No Trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.			
11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.			
11.4 Trade Receivables are non-interest bearing and are generally on credit terms of 30 to 60 days.			
11.5 Refer Note No. 38 for dues from an Associate. (Unsecured, considered good)			
<b>Note - 12. CASH &amp; CASH EQUIVALENTS</b>			
1	Balances with banks in current accounts	700.20	23.22
2	Cash on hand	9.87	10.66
	<b>Total</b>	<u>710.07</u>	<u>33.88</u>
<b>Note - 13. OTHER BALANCES WITH BANKS</b>			
1	Bank Fixed Deposits with original maturity of more than 3 months but less than 12 months	166.18	5.63
2	Earmarked Balances with Banks (Unpaid Dividend)*	107.52	120.63
	<b>Total</b>	<u>273.70</u>	<u>126.26</u>
* Not due for deposit in the Investor Education and Protection Fund			
<b>Note - 14. OTHER FINANCIAL ASSETS - CURRENT</b>			
<b>At amortised cost (Unsecured, considered good)</b>			
1	Security Deposits	183.65	202.93
2	Insurance claims receivable	99.20	75.35
3	Interest accrued and receivable	103.71	49.21
4	Advance to staff	58.68	33.51
	<b>Total</b>	<u>445.24</u>	<u>361.00</u>
<b>Note - 15. OTHER CURRENT ASSETS</b>			
<b>Advances other than Capital Advances (Unsecured, considered good)</b>			
Other Advances			
(i)	Prepaid Expenses	691.30	741.12
(ii)	Balance with Customs & Central Excise Authorities	56.00	54.00
(iii)	Advance Lease Rentals - Security Deposits	9.62	10.85
(iv)	Advances to Subsidiaries*	1,170.00	2,394.21
(v)	Advances to related parties*	70.80	66.45
(vi)	Other Advances	947.95	2,925.02
	<b>Total</b>	<u>2,945.67</u>	<u>6,191.65</u>
* Refer Note No. 38			

(₹ in lakhs)

Sr. No.	Particulars	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Note - 16. SHARE CAPITAL</b>			
1	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of ₹ 5/- each	1,000.00	1,000.00
	(2,00,00,000 Equity Shares of ₹ 5/- each as at 31 <sup>st</sup> March, 2020)		
	<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
2	<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
	1,30,05,874 Equity Shares of ₹ 5/- each fully paid up	650.29	650.29
	(1,30,05,874 Equity Shares of ₹ 5/- each fully paid up as at 31 <sup>st</sup> March, 2020)		
	<b>Total</b>	<b>650.29</b>	<b>650.29</b>

**Notes :****16.1 The reconciliation of the number of Equity Shares outstanding and amount of share capital is set out below:**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	1,30,05,874	650.29	1,30,05,874	650.29
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,30,05,874	650.29	1,30,05,874	650.29

**16.2 Terms / Rights attached to Equity Share :**

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**16.3 Details of the shareholders holding more than 5% of the aggregate shares are set out below :**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%
Smt.Smiti Somany	13,42,240	10.32%	13,42,240	10.32%
Nalanda India Equity Fund Limited	12,98,143	9.98%	11,72,121	9.01%

**16.4** There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 17. OTHER EQUITY</b>			
<b>1</b>	<b>Other Reserves</b>		
	(i) Securities Premium	8,095.94	8,095.94
	(ii) General Reserve		
	<b>Balance as per last financial year</b>	<b>43,540.01</b>	37,572.96
	Add : Transferred from Statement of Profit and Loss	5,460.46	5,967.05
		<b>49,000.47</b>	43,540.01
<b>2</b>	<b>Retained Earnings</b>		
	<b>Balance as per last financial year</b>	<b>25,460.47</b>	24,005.33
	Add : Transition impact of Ind AS 116 (Net of tax) (Refer Note No. 43)	-	(95.44)
	Add : Profit for the year	10,130.33	11,594.23
	Less : Appropriations		
	Transferred to General Reserve	(5,460.46)	(5,967.05)
	Dividend on Equity Shares distributed for F.Y. 2018-19	-	(1,690.76)
	Interim Dividend on Equity Shares distributed for F.Y. 2019-20	-	(1,690.76)
	Tax on Dividend	-	(695.08)
		<b>30,130.34</b>	25,460.47
<b>3</b>	<b>Other Comprehensive Income</b>		
	Remeasurements of Defined Benefit Plan		
	<b>Balance as per last financial year</b>	<b>(457.56)</b>	(308.90)
	Adjustments during the year		
	Add : Actuarial Loss on Remeasurement of Defined Benefit Plan	27.31	(198.65)
	Less : Current Tax effect on Gratuity	(12.57)	24.25
	Less : Deferred Tax on Leave Encashment	5.70	25.74
		<b>(437.12)</b>	(457.56)
	<b>Total</b>	<b>86,789.63</b>	76,638.86

**Nature and purpose of Other Reserves****a) Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**b) General Reserve**

General Reserve is created out of profit after tax earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 18. OTHER FINANCIAL LIABILITIES - NON - CURRENT</b>			
1	Deposits by Dealers	2,727.71	2,596.61
2	Due to others	22.23	22.23
	<b>Total</b>	<b>2,749.94</b>	2,618.84
<b>Note - 19. PROVISIONS - NON - CURRENT</b>			
1	<b>Provision for Employee Benefits</b>		
	Provision for Leave Encashment	606.50	595.60
2	<b>Provision for Tax</b>		
	Provision for Income Tax of earlier years	402.74	441.89
	<b>Total</b>	<b>1,009.24</b>	1,037.49

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 20. DEFERRED TAX LIABILITIES (NET)</b>			
1	<b>Deferred Tax Liabilities</b> (Arising on account of temporary difference)		
(a)	Assets : Impact of difference between carrying value and tax base of Depreciable assets	3,043.78	3,096.84
(b)	Impact of difference between carrying value and tax base of Investments in Mutual Funds	494.36	420.70
	<b>Total Deferred Tax Liabilities (A)</b>	<b>3,538.14</b>	<b>3,517.54</b>
2	<b>Deferred Tax Assets</b> (Arising on account of temporary difference)		
(a)	Leave Encashment	206.33	160.83
(b)	Others*	65.83	100.13
	<b>Total Deferred Tax Assets (B)</b>	<b>272.16</b>	<b>260.96</b>
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>3,265.98</b>	<b>3,256.58</b>

**Reconciliation of Deferred Tax Liabilities (Net):**

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening Balance	3,256.58	4,579.23
Tax Expense/(Income) during the period recognised in Profit or Loss	15.10	(1,245.64)
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	(5.70)	(25.74)
Tax Expense/(Income) during the period recognised directly in Other Equity	-	(51.27)
<b>Closing balance</b>	<b>3,265.98</b>	<b>3,256.58</b>

**Movements in DTA:**

Particulars	Leave Encashment	Others*	Total
At 1 <sup>st</sup> April, 2019	255.12	3.33	258.45
(Charged)/Credited:			
to Profit or Loss	(120.03)	45.53	(74.50)
to Other Comprehensive Income directly to Equity	25.74	-	25.74
	-	51.27	51.27
At 31 <sup>st</sup> March, 2020	160.83	100.13	260.96
(Charged)/Credited:			
to Profit or Loss	39.80	(34.30)	5.50
to Other Comprehensive Income directly to Equity	5.70	-	5.70
	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>206.33</b>	<b>65.83</b>	<b>272.16</b>

\*Includes impact of Ind AS 116

**Movements in DTL:**

Particulars	Assets : Impact of difference between carrying value and tax base of Depreciable assets	Impact of difference between carrying value and tax base of Investments in Mutual Funds	Total
At 1 <sup>st</sup> April, 2019	4,357.63	480.05	4,837.68
(Charged)/Credited:			
to Profit or Loss	(1,260.79)	(59.35)	(1,320.14)
to Other Comprehensive Income directly to Equity	-	-	-
	-	-	-
At 31 <sup>st</sup> March, 2020	3,096.84	420.70	3,517.54
(Charged)/Credited :			
to Profit or Loss	(53.06)	73.66	20.60
to Other Comprehensive Income directly to Equity	-	-	-
	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>3,043.78</b>	<b>494.36</b>	<b>3,538.14</b>

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 21. BORROWINGS - CURRENT</b>			
<b>Loans Repayable on Demand (Secured)</b>			
	From State Bank of India		
	Cash Credit	1,242.99	1,516.33
	<b>Total</b>	<b>1,242.99</b>	<b>1,516.33</b>
<b>Notes :</b>			
21.1 Secured by hypothecation of entire Current Assets, windmills at villages Kadoli and Kalyanpur and entire movable fixed assets of the Company. Further, collaterally secured by equitable mortgage of Leasehold land & Buildings thereon situated at 9, GIDC Industrial Estate and Residential Colony, Kadi (Survey No. 417/2 & 420/1,2) for Cash Credit and e-VFS facilities.			
21.2 Rate of interest on various cash credit facilities is chargeable at 0.15% above 6 months MCLR (Present effective rate 7.10 % p.a.) and rate of interest on export packing credit facility is chargeable at 0.55% above 6 months MCLR. (Present effective rate 7.50% p.a.)			
21.3 Rate of interest on e-VFS facility is chargeable at 0.15 % above EBR. (Present effective rate 6.80% p.a.)			
<b>Note - 22. TRADE PAYABLES - CURRENT</b>			
1	Total outstanding dues of micro enterprises and small enterprises*	3,352.03	3,338.02
2	Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,932.53	5,060.00
	<b>Total</b>	<b>14,284.56</b>	<b>8,398.02</b>
* Disclosure with respect to amount due to MSME is given in Note No. 42 and due to related parties is given in Note No. 38			
<b>Note - 23. OTHER FINANCIAL LIABILITIES - CURRENT</b>			
1	Unpaid dividends*	107.52	120.63
2	Retention money payable	175.81	237.82
3	Others		
	(i) Employee related payable	3,039.43	2,531.64
	(ii) Expenses payable	10,466.87	11,785.53
	<b>Total</b>	<b>13,789.63</b>	<b>14,675.62</b>
* Not due for deposit in the Investor Education and Protection Fund			
<b>Note - 24. OTHER CURRENT LIABILITIES</b>			
1	Payable towards Statutory dues	1,033.31	341.43
2	Contract Liability - Advances received from Customers*	1,358.90	1,365.87
	<b>Total</b>	<b>2,392.21</b>	<b>1,707.30</b>
<b>24.1 * Contract Liability - Advances received from Customers</b>			
	Opening Balance of Contract Liability	1,365.87	1,028.94
	Add : Addition of Contract Liability - Advances received from Customers	1,358.90	1,365.87
	Less : Revenue recognised during the reporting period	(1,365.87)	(1,028.94)
	<b>Closing Balance of Contract Liability</b>	<b>1,358.90</b>	<b>1,365.87</b>
<b>Note - 25. CURRENT PROVISIONS</b>			
	Provision for Leave Encashment	238.74	241.29
	<b>Total</b>	<b>238.74</b>	<b>241.29</b>
<b>Note - 26. CURRENT TAX LIABILITIES (NET)</b>			
	Provision for tax (Net)	353.91	23.64
	<b>Total</b>	<b>353.91</b>	<b>23.64</b>

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 27. REVENUE FROM OPERATIONS</b>		
<b>1 Revenue from Operations</b>		
<b>A Revenue from Contracts with Customers</b>		
(a) Sale of products (Building Products)	1,19,890.26	1,20,366.86
(b) Sale of services	44.34	45.27
	<u>1,19,934.60</u>	<u>1,20,412.13</u>
<b>B Other Operating Revenue</b>		
(a) Exports Incentives	27.96	136.16
(b) Insurance Claims Received	88.58	173.23
(c) Miscellaneous Operating Income	119.53	194.88
	<u>236.07</u>	<u>504.27</u>
<b>Total</b>	<u>1,20,170.67</u>	<u>1,20,916.40</u>

**Notes :****27.1 Disaggregation of Revenue**

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data :

(` in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Product Type</b>		
Goods	1,19,890.26	1,20,366.86
After Sales Services	44.34	45.27
<b>Total</b>	<u>1,19,934.60</u>	<u>1,20,412.13</u>
<b>Contract Counterparties</b>		
Dealers	1,19,890.26	1,20,366.86
Direct to Consumers	44.34	45.27
<b>Total</b>	<u>1,19,934.60</u>	<u>1,20,412.13</u>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	1,19,934.60	1,20,412.13
<b>Total</b>	<u>1,19,934.60</u>	<u>1,20,412.13</u>

**27.2** The expected credit loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 11.

**27.3** The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 24 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 24.1.

**27.4** No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 28. OTHER INCOME</b>		
<b>1 Interest Income from Financial Assets at Amortised Cost</b>		
(a) On Security Deposits	12.60	16.74
(b) Others	291.91	200.71
<b>2 Other Non-operating Income</b>		
(a) Profit on sale of Mutual Fund Units (Net)	63.99	135.92
(b) Net Gain on Fair Valuation of Investments	1,648.46	1,130.57
(c) Profit on Sale of Property, Plant and Equipment (Net)	30.02	-
(d) Share of Profit on Investment in LLP*	5.10	-
(e) Net Gain on foreign currency translation	-	5.98
(f) Miscellaneous Income	14.87	19.70
(g) Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	111.97	45.98
<b>Total</b>	<u>2,178.92</u>	<u>1,555.60</u>

\* Refer Note no. 38

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 29. COST OF MATERIALS CONSUMED</b>		
Opening Stock	2,232.55	2,110.45
Add: Purchases (Net)	8,539.94	10,611.40
<b>Sub Total</b>	<b>10,772.49</b>	<b>12,721.85</b>
Less: Closing Stock	2,241.66	2,232.55
<b>Total</b>	<b>8,530.83</b>	<b>10,489.30</b>
<b>Note - 30. PURCHASES OF STOCK IN TRADE</b>		
Sanitaryware and other allied products	52,797.09	50,522.29
<b>Total</b>	<b>52,797.09</b>	<b>50,522.29</b>
<b>Note - 31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>		
<b>Inventories at the end of the year:</b>		
Finished Goods	2,481.11	5,386.80
Work-in-progress	824.70	792.12
Stock-in-Trade	10,273.26	10,802.59
	<b>13,579.07</b>	<b>16,981.51</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	5,386.80	3,423.08
Work-in-progress	792.12	718.11
Stock-in-Trade	10,802.59	10,347.09
	<b>16,981.51</b>	<b>14,488.28</b>
<b>Change in Inventories</b>	<b>3,402.44</b>	<b>(2,493.23)</b>
<b>Note - 32. EMPLOYEE BENEFITS EXPENSE</b>		
1 Salaries, Wages and Bonus	12,872.91	14,171.66
2 Contribution to Provident and other Funds	801.60	804.14
3 Staff and Labour Welfare Expenses	758.69	1,064.00
<b>Total</b>	<b>14,433.20</b>	<b>16,039.80</b>

**Note :**

**32.1** As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plan :**

The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

**Defined Benefit Plan :**

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

**Gratuity :**

The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Plan Features	
Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service ( Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years



**Leave Encashment** : The benefits are governed by the Company's Leave Policy.

**Key Features**

Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	$(1/30) \times (\text{Basic Salary}) \times (\text{Leave Days})$
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

**Risks associated to the Plan (Gratuity and Leave Encashment)**

A. Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B. Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C. Liquidity Risk	Risks on account of Employees resignation / retirement from the Company, resulting into strain on the cashflow.
D. Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E. Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

**Key Assumptions considered (Gratuity and Leave Encashment)**

**Actuarial Assumptions**

A. Discount Rate	6.75% p.a.
B. Salary Growth Rate	5.75% p.a.
C. Rate of Interest on Plan Assets	6.75% p.a.
D. Mortality	IALM 2012-14
E. Withdrawal Rate	6.00% p.a.

**Financial Assumptions**

A. Discount Rate	6.75% p.a.
B. Salary Growth Rate	5.75% p.a.

**Demographic Assumptions**

A. Withdrawal Rate	-
B. Mortality Rate	-

(` in lakhs)

Particulars	2020-21		2019-20	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	1,938.96	836.89	1,770.20	773.49
Current Service Cost	175.26	98.58	171.59	106.77
Interest Cost	130.88	56.49	119.49	52.21
Actuarial (Gain) / Losses recognised in Other Comprehensive Income	-	-	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumptions (Gain)	-	-	105.75	40.48
Due to Experience adjustments (Loss)	(43.48)	22.64	1.64	61.81
Benefits paid	(132.89)	(169.36)	(229.71)	(197.87)
Prior year Charge	-	-	-	-
Defined Benefit Obligation at year end	2,068.73	845.24	1,938.96	836.89
<b>Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of Plan Assets at beginning of the year	1,938.96	-	1,770.20	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on Plan Assets	130.88	-	119.49	-
Actuarial Gain / (Loss)	6.47	-	11.03	-
Employer Contribution	128.38	-	267.95	-
Benefits paid	(132.89)	-	(229.71)	-
Fair Value of Plan Assets at year end	2,071.80	-	1,938.96	-
Return on Plan Assets recognised in Other Comprehensive Income (Gain) / Loss	(49.95)	-	96.37	-
Actual return on Plan Assets	137.35	-	130.51	-

(` in lakhs)

Particulars	2020-21		2019-20				
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)			
<b>Reconciliation of fair value of assets and obligations</b>							
Fair value of Plan Assets	2,071.80	-	1,938.96	-			
Present value of Obligation	2,068.73	845.24	1,938.96	836.89			
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	3.07	(845.24)	-	(836.89)			
<b>Expense recognized during the year</b>							
Current Service Cost	175.26	98.58	171.59	106.77			
Interest Cost	130.88	56.49	119.49	52.21			
Expenses deducted from the fund	-	-	-	-			
Expected return on plan Assets	(130.88)	-	(119.49)	-			
Net Cost	175.26	155.07	171.59	158.98			
<b>Investment Details</b>							
<b>Debt Instruments</b>							
Government of India Securities	37.04%	-	37.58%	-			
High Quality Corporate Bonds	44.93%	-	44.57%	-			
State Government Securities	2.75%	-	3.85%	-			
<b>Cash and Cash Equivalents</b>							
Fixed Deposits	-	-	-	-			
Bank Balances	-	-	-	-			
Special Deposit Scheme	0.42%	-	0.48%	-			
<b>Investment Funds</b>							
Insurance Policies	10.78%	-	11.22%	-			
<b>Others</b>							
Mutual Funds	4.08%	-	2.30%	-			
<b>Actuarial Assumptions</b>							
Mortality Table	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14			
Discount Rate	6.75%	6.75%	6.75%	6.75%			
Expected Rate of Return	6.75%	-	6.75%	-			
Rate of escalation in Salary	5.75%	5.75%	5.75%	5.75%			
<b>Sensitivity Analysis</b>							
Particulars	Changes in assumption	Increase in assumption		Decrease in assumption			
		Increase / Decrease by	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Increase / Decrease by	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Impact on Defined Benefit Obligation (Gratuity)</b>							
Discount Rate	1%	Decrease by	8%	8%	Increase by	7%	7%
Salary Growth Rate	1%	Increase by	8%	8%	Decrease by	7%	7%
Withdrawal Rate	1%	Increase by	0%	0%	Decrease by	0%	0%
<b>Impact on Defined Benefit Obligation (Leave Encashment)</b>							
Discount Rate	1%	Decrease by	7%	7%	Increase by	6%	6%
Salary Growth Rate	1%	Increase by	7%	7%	Decrease by	6%	6%
Withdrawal Rate	1%	Increase by	0%	0%	Decrease by	1%	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

#### Funding arrangements and funding policy :

Gratuity liability is funded whereas leave benefits liability is not funded. There are no minimum funding requirements for leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds, special deposit scheme, mutual funds etc., as per rules and regulations. Every year, the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Amounts for the current and previous years are as follows

Particulars	(` in lakhs)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>1 Gratuity (Funded)</b>		
Defined Benefit Obligation	2,068.73	1,938.96
Plan Assets	2,071.80	1,938.96
Surplus / (Deficit)	3.07	-
Experience adjustments on Plan Liability (Gain)	(43.48)	1.64
Experience adjustments on Plan Assets Gain	6.47	11.02
<b>2 Leave Encashment (Non-Funded)</b>		
Defined Benefit Obligation	845.24	836.89
Experience adjustments on Plan Liability (Gain)	22.64	61.81

Company's estimate of Contributions expected to be paid during Financial Year 2021-22 is as under:

(i) <b>Defined Contribution Plan :</b>	
(a) Employer's contribution to Provident Fund	12% of Basic Salary
(ii) <b>Defined Investment Plan :</b>	
(a) Gratuity	195.98
(b) Leave Encashment	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

Sr. Particulars No.	(` in lakhs)	
	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 33. FINANCE COSTS</b>		
1 Interest Costs		
(a) Interest on financial liabilities	362.04	417.24
(b) For Income Tax	48.95	12.00
2 Other Borrowing Costs	10.59	11.03
3 Net Loss on Foreign currency translation (attributable to finance cost)	5.19	-
<b>Total</b>	<b>426.77</b>	<b>440.27</b>
<b>Note - 34. DEPRECIATION &amp; AMORTIZATION EXPENSE</b>		
1 Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	2,623.26	2,637.28
2 Amortization of Other Intangible assets (Refer Note No. 5)	67.17	71.25
3 Depreciation on Right-of-use Assets (Refer Note No. 43)	632.61	558.79
<b>Total</b>	<b>3,323.04</b>	<b>3,267.32</b>

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 35. OTHER EXPENSES</b>		
1 Stores, Spares, Chemicals and Packing Materials Consumed	2,697.61	3,133.89
2 Power and Fuel	1,720.18	2,876.10
3 Repairs and Maintenance		
- To Buildings	67.85	48.00
- To Plant and Equipment	275.74	291.08
- To Others	222.93	240.54
4 Auditors' Remuneration		
- As Audit Fees	9.00	8.25
- For Other services	4.22	3.50
- For Reimbursement of expenses	0.39	0.61
5 Research & Development Expenses	123.42	166.36
6 Freight and Forwarding Expenses (Net)	7,673.15	6,891.50
7 Sales Promotion Expenses	5,922.91	5,679.04
8 Publicity & Advertisement Expenses	1,600.21	4,238.86
9 Bad Debts	16.00	1.44
10 Allowance for Expected Credit Loss - Trade Receivables	336.07	404.51
11 Allowance for Expected Credit Loss - Capital Advances	117.23	93.78
12 Impairment Loss on Investment / Business Loss in Associate Entities	32.60	0.77
13 Rent Expenses	130.08	215.84
14 Insurance	1,304.32	1,430.23
15 Rates and Taxes	24.53	26.51
16 Loss on Sale of Property, Plant and Equipment (Net)	-	157.08
17 Directors' Commission	20.00	70.00
18 Directors' sitting fees	2.50	2.70
19 Foreign Exchange Fluctuations (Net)	7.22	7.18
20 Donation	2.65	8.51
21 CSR Expenses	316.57	331.49
22 Amortisation of Prepaid Rentals	13.35	18.11
23 Loss on Termination of Lease (Net)	3.34	-
24 Miscellaneous Expenses	3,367.67	3,799.53
<b>Total</b>	<b>26,011.74</b>	<b>30,145.41</b>
<b>Note - 36. CURRENT TAX</b>		
Current Tax (net of earlier year provision)	3,279.05	3,712.25
<b>Total</b>	<b>3,279.05</b>	<b>3,712.25</b>

**Reconciliation of Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax rate of the Company as follows.**

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Accounting Profit before Income Tax</b>	<b>13,424.48</b>	14,060.84
Add : Interest Expense on Income Tax (Refer Note No. 33)	48.95	12.00
<b>Accounting Profit before Income Tax</b>	<b>13,473.43</b>	14,072.84
<b>India's Statutory Income Tax Rate of 25.168% (P.Y. 25.168%)</b>	<b>3,390.99</b>	3,541.85
Due to Income exempt from Taxation	(22.59)	(5.65)
Non-Deductible Expenses for Tax purposes	1,067.89	1,270.12
Deductible Expenses for Tax purposes	(1,338.58)	(2,093.28)
Income not chargeable for Tax purpose	(30.33)	(406.21)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	226.77	159.78
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>3,294.15</b>	2,466.61

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 37. EARNINGS PER SHARE</b>			
1	Net Profit attributable to the Equity Shareholders (₹ in lakhs) (A)	10,130.33	11,594.23
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	1,30,05,874	1,30,05,874
3	Nominal value of Equity Shares (₹)	5	5
4	Basic/Diluted Earnings per Share (₹) (A/B)	77.89	89.15

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains the same.

**Note - 38. RELATED PARTY DISCLOSURE**

38.1 Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place during the reported period.

**(A) Subsidiaries & Associate Entities:**

Sr. No.	Name	Nature	Ownership Interest held by the Company directly or indirectly	
			As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	Anjani Tiles Limited	Subsidiary	51%	51%
2	Packcart Packaging LLP	Subsidiary	51%	51%
3	Race Polymer Arts LLP	Subsidiary	51%	51%
4	Milo Tile LLP	Associate	26%	26%
5	Cera Sanitaryware Trading LLC	Associate	-	25%

**(B) Key Management Personnel:**

Sr. No.	Name	Designation
1	Shri Vikram Somany	Chairman and Managing Director
2	Smt. Deepshikha Khaitan	Joint Managing Director (w.e.f. 01.04.2020)
3	Shri Atul Sanghvi	Executive Director & CEO
4	Shri Ayush Bagla	Executive Director
5	Shri R.B.Shah	CFO & COO (Fin. & Comm.)
6	Shri N.N.Patel	President & Company Secretary (ceased w.e.f. 01.04.2020)
7	Shri Hemal Sadiwala	Company Secretary (w.e.f. 01.04.2020)
8	Shri Sajan Kumar Pasari	Non Executive Independent Director
9	Shri Lalit Kumar Bohania	Non Executive Independent Director
10	Shri Jugal Kishore Taparua	Non Executive Independent Director (ceased w.e.f. 06.02.2021)
11	Shri Surendra Singh Baid	Non Executive Independent Director
12	Ms. Akriti Jain	Non Executive Independent Director

**(C) Other Related Parties:**

Sr. No.	Particulars
<b>(a) Relatives of Key Management Personnel</b>	
1	Smt. Smiti Somany
2	Smt. Pooja Jain Somany
<b>(b) Enterprises significantly influenced by Key Management Personnel and / or their relatives</b>	
1	Madhusudan Industries Limited
2	Cera Foundation
3	Indian Council of Sanitaryware Manufacturers
<b>(c) Post Employment Benefit Plans</b>	
1	Madhusudan Gratuity Fund

## 38.2 Disclosures of Transactions during the year between the Company and Related Parties:

(` in lakhs)

Sr. No.	Nature of Transaction	Subsidiaries & Associates		Key Management Personnel		Other Related Parties	
		Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
1	Revenue from Operations	73.05	152.84	-	-	-	-
2	Other Income	1.72	0.22	-	-	-	-
3	Purchase of Goods	9,272.90	9,951.81	-	-	-	-
4	Investment in Shares	510.00	-	-	-	-	-
5	CSR Expenditure	-	-	-	-	-	331.49
6	Donation	-	-	-	-	2.65	8.51
7	Remuneration	-	-	1,262.29	1,065.84	-	39.76
8	Rent, Rates & Taxes	-	-	-	-	77.12	90.04
9	Other Service	-	-	22.50	72.70	14.86	16.63
10	Advances given	4.35	1,062.21	-	-	-	-
11	Advances Recovered	1,224.21	200.00	-	-	-	-
12	Contribution to Gratuity Fund	-	-	-	-	15.50	50.24
13	Share of Profit in LLP	5.10	-	-	-	-	-
	<b>GRAND TOTAL</b>	<b>11,091.33</b>	<b>11,367.08</b>	<b>1,284.79</b>	<b>1,138.54</b>	<b>110.13</b>	<b>536.67</b>

38.3 The details of amounts due to or due from related parties as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 :

(` in lakhs)

Sr. No.	Particulars	As at	As at
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Trade Receivables		
	(a) From Associates		
	Cera Sanitaryware Trading LLC	-	108.54
	<b>Total Trade Receivables from Associates</b>	<b>-</b>	<b>108.54</b>
2	Trade Payables		
	(a) From Subsidiaries		
	Anjani Tiles Limited	157.12	-
	Packart Packaging LLP	78.80	69.11
	Race Polymer Arts LLP	564.29	414.19
	Sub Total (a)	<b>800.21</b>	<b>483.30</b>
	(b) From Associates		
	Milo Tile LLP	158.57	214.63
	Sub Total (b)	<b>158.57</b>	<b>214.63</b>
	<b>Total Trade Payable to Subsidiaries &amp; Associates (a+b)</b>	<b>958.78</b>	<b>697.93</b>
3	Other Financial Assets & Advances		
	(a) Subsidiaries		
	Anjani Tiles Limited (Refer Note No. 15(iv))	1,170.00	2,394.21
	Race Polymer Arts LLP (Refer Note No. 7(2))	140.51	140.51
	<b>Sub Total (a)</b>	<b>1,310.51</b>	<b>2,534.72</b>
	(b) Associates		
	Milo Tile LLP (Refer Note No. 15(v))	70.80	66.45
	<b>Sub Total (b)</b>	<b>70.80</b>	<b>66.45</b>
	(c) Other Related Parties		
	Madhusudan Industries Limited	20.29	20.29
	<b>Sub Total (c)</b>	<b>20.29</b>	<b>20.29</b>
	<b>Balance of advances to Related Parties (a+b+c)</b>	<b>1,401.60</b>	<b>2,621.46</b>

**38.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:**

(` in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended	Year ended
			31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Purchase of Goods	Anjani Tiles Limited	4,916.88	5,898.91
2	Investment in Shares	Anjani Tiles Limited	510.00	-
3	CSR Expenses	Cera Foundation	-	331.49
4	Donation	Cera Foundation	2.65	8.51
5	Remuneration	Key Management Personnel	1,262.29	1,065.84
		Relatives to KMP	-	39.76
6	Rent, Rates & Taxes	Madhusudan Industries Limited	77.12	90.04
7	Other Services	Madhusudan Industries Limited	14.74	16.63
		Key Management Personnel	22.50	72.70
8	Advances given	Anjani Tiles Limited	-	1,062.21
		Milo Tile LLP	4.35	-
9	Advances Recovered	Anjani Tiles Limited	1,224.21	200.00
10	Contribution to Gratuity fund	Madhusudan Gratuity Fund	15.50	50.24
11	Share of Profit in LLP	Packcart Packaging LLP	5.10	-

**38.5 Breakup of compensation to Key Management Personnel:**

(` in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended	Year ended	
			31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	
1	Short-Term Employee Benefits	Shri Vikram Somany	530.52	534.47	
		Smt. Deepshikha Khaitan	230.87	-	
		Shri Atul Sanghvi	248.77	237.47	
		Shri Ayush Bagla	135.95	124.68	
		Shri R.B.Shah	100.01	108.64	
		Shri N.N.Patel (upto 31.03.2020)	-	60.58	
		Shri Hemal Sadiwala	16.17	-	
		Commission	Smt. Deepshikha Khaitan	-	50.00
			Shri Sajan Kumar Pasari	4.00	4.00
			Shri Lalit Kumar Bohania	4.00	4.00
			Shri Jugal Kishore Taparia	4.00	4.00
	Shri Surendra Singh Baid	4.00	4.00		
	Ms. Akriti Jain	4.00	4.00		
Sitting Fees	Smt. Deepshikha Khaitan	-	0.50		
	Shri Sajan Kumar Pasari	0.50	0.40		
	Shri Lalit Kumar Bohania	0.50	0.40		
	Shri Jugal Kishore Taparia	0.50	0.50		
	Shri Surendra Singh Baid	0.50	0.50		
	Ms. Akriti Jain	0.50	0.40		
2	Post-Employment Benefits		-	-	
3	Other Long-Term Benefits		-	-	
4	Termination Benefits		-	-	
	<b>Total</b>		<b>1,284.79</b>	<b>1,138.54</b>	

**38.6** Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31<sup>st</sup> March, 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note – 39 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Overview:**

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Company's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are outlined hereunder:

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors and the Risk Management Committee. They provide principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(A) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables, advances and investments.

**(i) Trade Receivables:**

The Company extends credits to customers in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdictions and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Company generally does not hold any collateral or other credit enhancements over any of its trade receivables excepting a small amount in the nature of security deposits from its dealers, nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

**Expected Credit Loss (ECL):**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
0-3 months		Nil
3-6 months		Nil
6-12 months		Nil
Beyond 12 months		10 to 25
		(` in lakhs)
Period	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Ageing of past due but not impaired receivables:</b>		
0-3 months	16,566.13	14,703.06
3-6 months	795.17	1,942.42
6-12 months	281.60	1,667.65
Beyond 12 months	3,973.99	4,388.70
<b>Ageing of impaired trade receivables:</b>		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months	945.53	610.55



**(ii) Cash and cash equivalents and short-term investments:**

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets/ (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
		(` in lakhs)			
<b>Financial Assets</b>					
Trade receivables	11	20,671.36	-	-	20,671.36
Others	7,14	445.24	1,330.91	-	1,776.15
Current investments	10	43,404.61	-	-	43,404.61
Cash and cash equivalents	12	710.07	-	-	710.07
Other bank balances	13	273.70	-	-	273.70
<b>Total</b>		<b>65,504.98</b>	<b>1,330.91</b>	<b>-</b>	<b>66,835.89</b>
<b>Financial Liabilities</b>					
Borrowings - Bank loans	21	1,242.99	-	-	1,242.99
Current payables	22,23	28,074.19	-	-	28,074.19
Non-current payables	18	-	2,749.94	-	2,749.94
<b>Total</b>		<b>29,317.18</b>	<b>2,749.94</b>	<b>-</b>	<b>32,067.12</b>

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
		(` in lakhs)			
<b>Financial Assets</b>					
Trade receivables	11	22,091.28	-	-	22,091.28
Others	7,14	361.00	1,275.11	-	1,636.11
Current investments	10	18,948.65	-	-	18,948.65
Cash and cash equivalents	12	33.88	-	-	33.88
Other bank balances	13	126.26	-	-	126.26
<b>Total</b>		<b>41,561.07</b>	<b>1,275.11</b>	<b>-</b>	<b>42,836.18</b>
<b>Financial Liabilities</b>					
Borrowings - Bank loans	21	1,516.33	-	-	1,516.33
Current payables	22,23	23,073.64	-	-	23,073.64
Non-current payables	18	-	2,618.84	-	2,618.84
<b>Total</b>		<b>24,589.97</b>	<b>2,618.84</b>	<b>-</b>	<b>27,208.81</b>

**(C) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : foreign currency risk, interest risk and other price risk such as commodity risk.

**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Company does not enter into financial instrument transactions for trading or speculative purpose.

The Company transacts business primarily in Indian Rupees, USD, Euro and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	(in lakhs)	
		As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Trade receivables	USD	4.53	4.06
Trade payables	USD	1.42	0.10
	EUR	-	0.57
	NPR	2.02	1.93
	AED	0.25	-
Advance to suppliers	USD	0.97	1.40
	EUR	0.17	0.37
Advance from customers	USD	1.60	0.79
Balance in EEFC account	USD	1.75	1.25

Currency Rate	(in `)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
USD	73.1670	75.3700
EUR	85.8293	83.1000
AED	19.9229	20.5368
NPR	0.6250	0.6250

Of the above foreign currency exposures, following exposures are not hedged: (in lakhs)

Particulars	Currency	(in lakhs)	
		As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Trade receivables	USD	4.53	4.06
Trade payables	USD	1.42	0.10
	EUR	-	0.57
	NPR	2.02	1.93
	AED	0.25	-
Advance to suppliers	USD	0.97	1.40
	EUR	0.17	0.37
Advance from customers	USD	1.60	0.79
Balance in EEFC account	USD	1.75	1.25

**Sensitivity Analysis:**

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in currency exchange rate	Effect on Profit	
		before tax 31 <sup>st</sup> March, 2021	before tax 31 <sup>st</sup> March, 2020
USD	5%	15.46	21.93
	-5%	(15.46)	(21.93)
EUR	5%	0.73	(0.83)
	-5%	(0.73)	0.83
NPR	5%	(0.06)	(0.06)
	-5%	0.06	0.06
AED	5%	(0.25)	-
	-5%	0.25	-

(` in lakhs)

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

**(ii) Interest Rate Risk:**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board. However, the risk is very low due to negligible borrowings by the Company.

The Company's non-current borrowings from banks are Nil as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 respectively. Other non-current financial liabilities have fixed rate of interest where the risk of changes in the interest rates is almost nil. As a result, the sensitivity affecting the profit before tax due to the Company's exposure to the risk of changes in market interest rates is almost nil.

**(iii) Commodity Risk:**

The Company is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Company enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

**Probable impact of COVID-19 pandemic – Force Majeure:**

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations of the Company were impacted due to nationwide lockdown imposed by the Government of India from 25<sup>th</sup> March, 2020 and continued up to 18<sup>th</sup> May, 2020. The management has considered the impact of COVID-19 on its profitability, liquidity, supply chain, receivables, inventories, other financial assets and investments.

Even after the on-going second wave of COVID-19 and the expected third wave, your Company believes that the recovery of economy in general and housing construction in particular will be better. Based on the internal and external sources of information including credit reports and related information and economic forecasts, the management believes that the impact is likely to be short term in nature and there does not seem to be any medium to long term risks in the Company's ability to recover the carrying amount of these assets in near future.

**Capital Management:**

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note 21, cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarizes the capital of the Company:

Particulars	Effect on Profit	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity</b>	<b>87,439.92</b>	77,289.15
Current Borrowings (Note No. 21)	1,242.99	1,516.33
<b>Total Debt</b>	<b>1,242.99</b>	1,516.33
<b>Gearing Ratio</b>		
Debt to Equity	1.42%	1.96%

(` in lakhs)

**Note - 40. FINANCIAL INSTRUMENTS**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments.

(` in lakhs)

Particulars	Carrying value		Fair value		Fair value measurement using
	As at	As at	As at	As at	
	31 <sup>st</sup> March, 21	31 <sup>st</sup> March, 20	31 <sup>st</sup> March, 21	31 <sup>st</sup> March, 20	
<b>Financial Assets</b>					
<b>Financial assets measured at fair value</b>					
<b>Current</b>					
Investments	43,404.61	18,948.65	43,404.61	18,948.65	Level 1
<b>Financial assets measured at amortized cost</b>					
<b>Non-Current</b>					
Investments in Subsidiaries & Associates	4,709.27	4,231.37	4,709.27	4,231.37	Level 3
Other Investments	3,199.73	3,063.15	3,199.73	3,063.15	Level 3
Bank FDs with more than 12 months maturity	605.50	707.60	605.50	707.60	Level 3
Margin Money Deposits with a bank held as security with more than 12 months maturity	500.30	305.69	500.30	305.69	Level 3
Security Deposit	84.60	121.31	84.60	121.31	Level 3
Advance Contribution to Subsidiary	140.51	140.51	140.51	140.51	Level 3
<b>Current</b>					
Security Deposit	183.65	202.93	183.65	202.93	Level 3
Trade receivables	20,671.36	22,091.28	19,775.86	21,548.98	Level 3
Cash and cash equivalents	710.07	33.88	710.07	33.88	Level 3
Other Balances with Banks	273.70	126.26	273.70	126.26	Level 3
Insurance claims receivable	99.20	75.35	99.20	75.35	Level 3
Advances	58.68	33.51	58.68	33.51	Level 3
Interest accrued and receivable	103.71	49.21	103.71	49.21	Level 3
<b>Total</b>	<b>74,744.89</b>	<b>50,130.70</b>	<b>73,849.39</b>	<b>49,588.40</b>	
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
<b>Non-Current</b>					
Lease liabilities	1,022.16	1,269.78	1,022.16	1,269.78	Level 3
Deposits by Dealers	2,727.71	2,596.61	2,727.71	2,596.61	Level 3
Other financial liabilities	22.23	22.23	22.23	22.23	Level 3
<b>Current</b>					
Borrowings	1,242.99	1,516.33	1,242.99	1,516.33	Level 3
Lease liabilities	517.17	544.36	517.17	544.36	Level 3
Trade payables	14,284.56	8,398.02	14,284.56	8,398.02	Level 3
Unpaid dividends	107.52	120.63	107.52	120.63	Level 3
Retention money payable	175.81	237.82	175.81	237.82	Level 3
Employee related payables	3,039.43	2,531.64	3,039.43	2,531.64	Level 3
Expenses payables	10,466.87	11,785.53	10,466.87	11,785.53	Level 3
<b>Total</b>	<b>33,606.45</b>	<b>29,022.95</b>	<b>33,606.45</b>	<b>29,022.95</b>	

**40.1** All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There have been no transfers between Level 2 and Level 3 during the period.

**40.2** The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**40.3** The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

**40.4** The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

**40.5** The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

**Note - 41. MOVEMENT IN PROVISIONS**

Disclosure of Movement in Provisions during the year as per Ind AS- 37, 'Provisions, Contingent Liabilities and Contingent Assets :

(` in lakhs)				
Particulars	Balance as on 1 <sup>st</sup> April, 2020	Provided/ Transferred during the year	Paid/Adjusted during the year	Balance as on 31 <sup>st</sup> March, 2021
<b>Non-current Provisions</b>				
Accumulated leaves	595.60	10.90	-	606.50
Income Tax of earlier years	441.89	-	39.15	402.74
<b>Total</b>	<b>1,037.49</b>	<b>10.90</b>	<b>39.15</b>	<b>1,009.24</b>
<b>Current Provisions</b>				
Accumulated leaves	241.29	166.81	169.36	238.74
<b>Total</b>	<b>241.29</b>	<b>166.81</b>	<b>169.36</b>	<b>238.74</b>
<b>Grand total</b>	<b>1,278.78</b>	<b>177.71</b>	<b>208.51</b>	<b>1,247.98</b>

**Note - 42. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES**

The dues of Micro Enterprises and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(` in lakhs)		
Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount due to micro enterprises and small enterprises	3,352.03	3,338.02
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006".	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**Note - 43. COMMITMENTS AND CONTINGENCIES**

**(a) Leases**

Ind AS 116 Leases replaced the earlier lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning 1<sup>st</sup> April, 2019 and applied the Standard to its leases, using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1<sup>st</sup> April, 2019). Changes in Lease payments during the reporting period, on account of rent concession due to COVID 19 pandemic is considered as Lease modification in F.Y. 2020-21.

(i) Changes in the carrying value of right-of-use assets : (₹ in lakhs)

Particulars	Category of Right-of-use asset	
	Land	Buildings
Balance as at 1 <sup>st</sup> April, 2019	-	2,191.04
Reclassification on adoption of Ind AS 116	9.84	-
Depreciation	(0.59)	(558.20)
Balance as at 31 <sup>st</sup> March, 2020	9.25	1,632.84
Additions during the year	-	346.42
Termination during the year	-	(31.54)
Depreciation	(0.59)	(632.02)
Remeasurement of lease liability due to lease modifications	-	(34.02)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>8.66</b>	<b>1,281.68</b>

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 34)

(ii) Movement in Lease Liabilities : (₹ in lakhs)

Particulars	Buildings	
	2020-21	2019-20
<b>Opening Balance</b>	<b>1,814.14</b>	2,337.75
Finance cost accrued during the year	170.79	193.62
Additions during the year	346.42	-
Termination during the year	(28.23)	-
Payment of lease liabilities	(729.77)	(717.23)
Remeasurement of lease liability due to lease modifications	(34.02)	-
<b>Closing Balance</b>	<b>1,539.33</b>	1,814.14

(iii) Break-up of current and non-current lease liabilities : (₹ in lakhs)

Particulars	Buildings	
	2020-21	2019-20
Non-current lease liabilities	1,022.16	1,269.78
Current lease liabilities	517.17	544.36
<b>Total</b>	<b>1,539.33</b>	1,814.14

(iv) Contractual maturities of lease liabilities on discounted basis : (₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Not later than one year	517.17	544.36
Later than one year but not later than five years	886.46	1,061.52
Later than five years	135.70	208.26
<b>Total</b>	<b>1,539.33</b>	1,814.14

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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(b) **Commitments**  
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) 94.37 746.22(c) **Contingent Liabilities**  
Claims against the Company not acknowledged as debts (Net of Payments) 70.51 285.89  
Letters of Credit (Foreign & Inland) opened and guarantees given (Net) 4,160.57 4,028.86

**Note - 44. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:****For Subsidiaries**

(₹ in lakhs)

Particulars	Anjani Tiles Limited		Packcart Packaging LLP		Race Polymer Arts LLP	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	<b>Investments*</b>					
At the beginning of the year	2,933.00	2,933.00	90.78	90.78	369.49	369.49
Addition during the year	510.00	-	-	-	-	-
<b>At the end of the year</b>	<b>3,443.00</b>	<b>2,933.00</b>	<b>90.78</b>	<b>90.78</b>	<b>369.49</b>	<b>369.49</b>
<b>Loans &amp; advances**</b>						
At the beginning of the year	2,394.21	1,532.00	-	-	140.51	140.51
Addition during the year	-	1,062.21	-	-	-	-
Recovered during the year	(1,224.21)	(200.00)	-	-	-	-
<b>At the end of the year</b>	<b>1,170.00</b>	<b>2,394.21</b>	<b>-</b>	<b>-</b>	<b>140.51</b>	<b>140.51</b>

**For Associates**

Particulars	Milo Tile LLP		Cera Sanitaryware Ltd FZC		Cera Sanitaryware Trading LLC	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	<b>Investments*</b>					
At the beginning of the year	806.00	806.00	-	2.20	32.10	32.10
Addition during the year	-	-	-	-	-	-
Impairment Loss (Refer Notes no. 6 & 35)	-	-	-	(0.77)	(32.10)	-
Transferred to other current assets (Refer Notes no. 6 & 15)	-	-	-	(1.43)	-	-
<b>At the end of the year</b>	<b>806.00</b>	<b>806.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.10</b>
<b>Loans &amp; advances</b>						
At the beginning of the year	66.45	66.45	-	-	-	-
Addition during the year	4.35	-	-	-	-	-
Recovered during the year	-	-	-	-	-	-
<b>At the end of the year</b>	<b>70.80</b>	<b>66.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The company has paid amounts towards its Capital Contribution.

\*\* The company has given advances for following purposes :

- Advance capital contribution.
- Advances for future purchases.
- Towards working capital requirements.

**Note - 45. NOTE ON CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms of the provisions of the said Act, the Company was required to spend ₹ 315.10 lakhs (previous year ₹ 330.66 lakhs) towards CSR activities during the year ended 31<sup>st</sup> March, 2021. The Company has incurred following expenditure towards CSR activities for the benefit of general public and in the neighbourhood of the manufacturing facilities of the Company.

(₹ in lakhs)

Sr. No.	Particulars	Year ended	Year ended
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Prescribed CSR Expenditure (2% of Average Net Profits of the three immediately preceding financial years)	315.10	330.66
2	Add : Unspent amount of previous year	-	-
	<b>Total amount to be spent for the financial year</b>	<b>315.10</b>	<b>330.66</b>
3	Details of CSR Expenditure during the financial year 2020-21		
	(a) Promoting Education and enhancing vocational skills	235.63	239.03
	(b) Eradicating hunger, poverty, malnutrition, promoting health care and sanitation	37.88	58.52
	(c) Contribution to PM Cares Fund	24.69	-
	(d) Rural Development	16.37	9.94
	(e) Protection of National Heritage Art & Culture	2.00	2.00
	(f) Empowering Women, setting up homes/hostels for women, orphans and old age homes	-	22.00
	<b>Total Amount spent during the financial year</b>	<b>316.57</b>	<b>331.49</b>
4	Amount Unspent, if any.	-	-

**Note - 46. RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development expenditure incurred is set out below

(` in lakhs)

Sr. No.	Particulars	2020-21	2019-20
1	Capital expenditure	1.72	-
2	Revenue expenditure	123.42	166.36

**Note - 47. OPERATING SEGMENTS**

The Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segments as required under Ind AS 108 "Operating Segment".

The Revenue from transactions with the single external customer amounting to 10% or more of the Company's Revenue is Nil.

**Note - 48.**

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

**Note - 49. DIVIDENDS PAID AND PROPOSED**

(` in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A.</b>	<b>Declared and paid during the year:</b>		
	Final dividend for F.Y. 2019-20 : ` Nil per share (F.Y. 2018-19 : ` 13/- per share)	-	1,690.76
	Dividend Distribution Tax paid	-	347.54
	Interim dividend for F.Y. 2020-21 : ` Nil per share (F.Y. 2019-20 : ` 13/- per share)	-	1,690.76
	Dividend Distribution Tax paid on Interim dividend	-	347.54
<b>B.</b>	<b>Proposed for approval at the ensuing annual general meeting (not recognised as a liability):</b>		
	Final dividend for F.Y. 2020-21 : ` 13/- per share (F.Y. 2019-20 : ` Nil per share)	1,690.76	-

**Note - 50.**

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1<sup>st</sup> July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with relevant Indian Accounting Standard and Schedule III to the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue from Operations. Revenue for the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 are net of GST. The following additional information is being provided to facilitate such understanding.

(` in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Revenue from Operations (Gross)	1,41,409.11	1,42,211.03
Less : GST Recovered	21,238.44	21,294.63
Revenue from Operations (Net)	1,20,170.67	1,20,916.40

**Note - 51.**

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants

(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021**Rajesh B. Shah**

CFO &amp; COO

(Fin. &amp; Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

(DIN:00048827)

Chairman and Managing Director

**Deepshikha Khaitan**

(DIN:03365068)

Joint Managing Director

**Sajan Kumar Pasari**

(DIN:00370738)

Director

**Lalit Kumar Bohania**

(DIN:00235869)

Director

**Surendra Singh Baid**

(DIN:02736988)

Director

**Akriti Jain**

(DIN:08259413)

Director

**Ayush Bagla**

(DIN:01211591)

Executive Director

**Atul Sanghvi**

(DIN:00045903)

Executive Director &amp; CEO



## Independent Auditor's Report

To,  
The Members of Cera Sanitaryware Limited

**Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **CERA SANITARYWARE LIMITED** (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, and the Consolidated Statement of Profit and Loss (including Consolidated 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 significant 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, 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 the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs (consolidated financial position) of the Group as at 31<sup>st</sup> March, 2021, the consolidated profit (consolidated financial performance including consolidated other comprehensive income), consolidated changes in equity and their 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") 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 Accountant of India ("ICAI") together with the ethical requirements that are relevant to our audit of consolidated financial statements under the provision of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on 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 of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. We have determined the matter described below as the key audit matter to be communicated in our report.

Sr. No	Allowance for Expected Credit Losses (ECL) in respect of Trade Receivables and Capital Advances
1.	<p>The Group has made provision for Expected Credit Losses in respect of trade receivables aggregating to ` 945.53 lakhs and that of capital advances aggregating to ` 211.01 lakhs up to 31<sup>st</sup> March, 2021 as against the gross doubtful / litigated amounts in respect of trade receivables of ` 1,841.03 lakhs and capital advances of ` 468.91 lakhs. These are based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to entities the Group deals with. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Group has also determined allowance for ECL based on the information available with the Legal department of the respective entities in the Group.</p> <p>We identified allowance for credit losses as a key audit matter because the Group exercises significant judgement in calculating the expected credit losses.</p> <p>Refer Notes No. 8, 11, 37 and 41 to the consolidated financial statements.</p>
	<p><b>How our audit addressed the Key Audit Matter</b></p> <p>Our Audit procedures related to the allowance for expected credit losses for trade receivables and capital advances included the following, among others:</p> <p>We tested the effectiveness of controls over the:</p> <ul style="list-style-type: none"> <li>➤ development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions;</li> <li>➤ completeness and accuracy of information used in the estimation of probability of default; and</li> <li>➤ computation of the allowance for credit losses.</li> <li>➤ For a few customers, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal source of information.</li> <li>➤ We carried out detailed analysis of balances of trade receivables and capital advances, (i) where no legal actions have been taken so far by the Group and the reasons therefor, (ii) where legal actions have been taken and the allowance for ECL has been partially / fully made and considered the reasons therefor and (iii) where legal actions have been taken but no allowance for ECL has been made and the reasons therefor.</li> <li>➤ Assessed the adequacy of allowance for ECL recorded and evaluated disclosures in the consolidated financial statements in relation to these items.</li> <li>➤ Verified Balance Confirmations directly received by us from few selected trade receivables of the Holding Company and also examined reconciliations / discrepancies, if any.</li> <li>➤ We also reviewed the internal auditor's report for the history and current scenario of a few customers of the Holding Company.</li> </ul>

**Information Other than Financial Statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholders Information, but does not include the consolidated financial statements, and our auditor's report 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, 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.

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.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and the consolidated cash flows of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. The respective Management and Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Management and the Board of Directors of the entities included in the Group and of its associates, are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associates are also responsible for overseeing the financial reporting process of each entity.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 Companies Act, 2013 we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the entity has adequate internal financial controls 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 in the consolidated financial results made by the management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the management's and Board of Directors' 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 Group and its associates 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 results 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 and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group and its associates to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, 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.

Materiality is the magnitude of misstatements in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results 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 results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the 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 are required to determine those matters that were of most significance in the audit of the consolidated 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.

#### Other Matters

- 1) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ` 12,792.58 lakhs and net assets of ` 1,120.51 lakhs as at 31<sup>st</sup> March, 2021, total revenues of ` 7,269.84 Lakhs and net cash outflow of ` 2.57 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ` 4.76 lakhs for the year ended 31<sup>st</sup> March, 2021, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements of 1 subsidiary and 2 associates have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 1 subsidiary and 2 associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the reports of the other auditors.
- 2) Business operations of Cera Sanitaryware Trading LLC- Dubai (Associate) have been closed / terminated with effect from 12<sup>th</sup> October, 2020 due to continuing unviable business operations. The appropriate Authority at Dubai has commenced the company closure process. The unrecognised share in accumulated losses of ` 17.98 lakhs up to 31<sup>st</sup> March, 2020 have been adjusted against the profit earned during the period (up to the date of closure).
- 3) We draw attention to Notes No. 3.17(g) and 41 to the consolidated audited financial results which explains the uncertainties and the Group's assessment and estimation of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company covered under the Act, none of the directors of the Group covered under the Act, are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.

- (g) With respect to the matter to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and according to information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2021 on the consolidated financial position of the Group as detailed in Note No.45 to the consolidated financial statements.
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016 have not been made since they do not pertain to the financial year ended 31<sup>st</sup> March, 2021.

**FOR N. M. NAGRI & CO.**

Chartered Accountants

Firm Regn. No.106792W

**N. M. NAGRI**

PROPRIETOR

Membership No. 016992

**UDIN: 21016992AAAAABI7063**

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

#### **ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **CERA SANITARYWARE LIMITED** of even date for the year ended 31<sup>st</sup> March, 2021)

#### **Independent Auditor's Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of **CERA SANITARYWARE LIMITED** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "Group") as of and for the year ended 31<sup>st</sup> March, 2021, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company which is a company incorporated in India, as of that date.

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

The respective Company's management and the Board of Directors of the Holding Company and its subsidiary company which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements were 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of such internal financial controls, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the consolidated financial statements of the Holding Company and its Subsidiary Company, as aforesaid.

**Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements**

A Company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated 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 the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the 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, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal financial controls with reference to the consolidated financial statements 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.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements in so far as it relates to 1 subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditors on the audit of such company. Our opinion is not modified in respect of this matter.

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**FOR N. M. NAGRI & CO.**  
Chartered Accountants  
Firm Regn. No.106792W  
**N. M. NAGRI**  
PROPRIETOR  
Membership No. 016992  
**UDIN: 21016992AAAABI7063**

Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021

(` in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	4	40,093.14	41,973.68
(b) Capital work-in-progress	4	133.42	52.94
(c) Right-of-use assets	-	1,377.57	1,760.12
(d) Other Intangible Assets	5	76.49	119.66
(e) Intangible Assets under development	5	-	-
(f) Financial Assets			
(i) Investments			
- Investments in Associates	6	821.80	817.04
- Other Investments	6	3,199.73	3,063.15
(ii) Other Financial Assets	7	1,412.22	1,354.77
(g) Other Non-current Assets	8	654.84	747.76
<b>(2) Current Assets</b>			
(a) Inventories	9	19,966.11	24,298.01
(b) Financial Assets			
(i) Investments	10	43,404.61	18,948.65
(ii) Trade Receivables	11	20,946.70	22,284.80
(iii) Cash and Cash Equivalents	12	767.33	83.30
(iv) Other Balances with Banks	13	273.70	131.05
(v) Other Financial Assets	14	2,657.71	2,272.96
(c) Other Current Assets	15	1,980.00	4,027.22
<b>Total Assets</b>		<b>1,37,765.37</b>	<b>1,21,935.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	650.29	650.29
(b) Other Equity	17	86,523.48	76,423.91
Equity attributable to Owners of the Company		87,173.77	77,074.20
Non - Controlling Interests	17	1,171.90	767.88
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	-	1,095.44	1,405.26
(ii) Borrowings	18	4,261.51	4,344.50
(iii) Other Financial Liabilities	19	2,749.94	2,618.84
(b) Provisions	20	1,025.31	1,064.79
(c) Deferred Tax Liabilities (Net)	21	3,025.24	2,994.98
(d) Other Non-current Liabilities	22	12.57	14.06
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	3,025.44	4,099.30
(ii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	24	2,846.86	2,892.84
- total outstanding dues of creditors other than micro enterprises and small enterprises	24	12,689.03	6,638.57
(iii) Lease Liabilities	-	538.79	562.28
(iv) Other Financial Liabilities	25	14,921.22	15,433.97
(b) Other Current Liabilities	26	2,540.42	1,732.82
(c) Provisions	27	248.48	255.59
(d) Current Tax Liabilities (Net)	28	439.45	35.23
<b>Total Equity and Liabilities</b>		<b>1,37,765.37</b>	<b>1,21,935.11</b>

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants

(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021**Rajesh B. Shah**

CFO &amp; COO

(Fin. &amp; Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

(DIN:00048827)

Chairman and Managing Director

**Deepshikha Khaitan**

(DIN:03365068)

Joint Managing Director

**Sajan Kumar Pasari**

(DIN:00370738)

Director

**Lalit Kumar Bohania**

(DIN:00235869)

Director

**Surendra Singh Baid**

(DIN:02736988)

Director

**Akriti Jain**

(DIN:08259413)

Director

**Ayush Bangla**

(DIN:01211591)

Executive Director

**Atul Sanghvi**

(DIN:00045903)

Executive Director &amp; CEO

Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

(` in lakhs except for per equity share data)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Revenue from Operations</b>	29	<b>1,22,432.68</b>	1,22,368.89
<b>Other Income</b>	30	<b>2,516.19</b>	1,822.03
<b>Total Income</b>		<b>1,24,948.87</b>	1,24,190.92
<b>EXPENSES</b>			
Cost of Materials Consumed	31	<b>12,722.11</b>	14,674.93
Purchases of Stock-in-Trade	32	<b>45,354.23</b>	43,145.86
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	33	<b>4,603.61</b>	(2,795.20)
Employee Benefits Expense	34	<b>15,367.88</b>	17,073.82
Finance Costs	35	<b>972.86</b>	1,005.04
Depreciation and Amortization Expense	36	<b>3,957.09</b>	3,877.22
Other Expenses	37	<b>28,579.12</b>	33,721.77
<b>Total Expenses</b>		<b>1,11,556.90</b>	1,10,703.44
<b>Profit before tax</b>		<b>13,391.97</b>	13,487.48
<b>Tax Expense :</b>			
(1) Current Tax (net of earlier year excess provision)	38	<b>3,366.04</b>	3,712.25
(2) Deferred Tax		<b>35.26</b>	(1,278.37)
<b>Profit after tax</b>		<b>9,990.67</b>	11,053.60
<b>Add: Share of Profit / (Loss) from Associates</b>		<b>4.76</b>	6.49
<b>Profit for the year</b>		<b>9,995.43</b>	11,060.09
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit plan		<b>29.70</b>	(199.25)
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>(7.57)</b>	50.13
Total Other Comprehensive Income for the year (Net of Tax)		<b>22.13</b>	(149.12)
<b>Total Comprehensive Income for the year</b>		<b>10,017.56</b>	10,910.97
<b>Profit for the year attributable to :</b>			
- Owners of the Company		<b>10,077.34</b>	11,325.38
- Non-Controlling Interests		<b>(81.91)</b>	(265.29)
		<b>9,995.43</b>	11,060.09
<b>Other Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		<b>21.30</b>	(148.89)
- Non-Controlling Interests		<b>0.83</b>	(0.23)
		<b>22.13</b>	(149.12)
<b>Total Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		<b>10,098.64</b>	11,176.49
- Non-Controlling Interests		<b>(81.08)</b>	(265.52)
		<b>10,017.56</b>	10,910.97
<b>Earnings per equity share of face value of ` 5/- each</b>			
(1) Basic	39	<b>77.48</b>	87.08
(2) Diluted	39	<b>77.48</b>	87.08

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
**Hemal Sadiwala**  
Company Secretary  
Mem. No. ACS 20741

**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
**Deepshikha Khaitan** (DIN:03365068) Joint Managing Director  
**Sajan Kumar Pasari** (DIN:00370738) Director  
**Lalit Kumar Bohania** (DIN:00235869) Director  
**Surendra Singh Baid** (DIN:02736988) Director  
**Akriti Jain** (DIN:08259413) Director  
**Ayush Bagla** (DIN:01211591) Executive Director  
**Atul Sanghvi** (DIN:00045903) Executive Director & CEO

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(` in lakhs)

Particulars	No. of Shares	Amount
<b>A. EQUITY SHARE CAPITAL</b>		
Balance as at 1 <sup>st</sup> April, 2019	1,30,05,874	650.29
Changes during the year	-	-
Balance as at 31 <sup>st</sup> March, 2020	1,30,05,874	650.29
Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>1,30,05,874</b>	<b>650.29</b>

(` in lakhs)

Particulars	Reserves & Surplus			Other Comprehensive Income Remeasurment of Defined Benefit Plan	Total Other Equity	Non-Controlling Interests	Total
	Securities Premium	General Reserve	Retained Earnings				
<b>B. OTHER EQUITY</b>							
Balance as at 1 <sup>st</sup> April, 2019	8,095.94	37,572.96	24,081.98	(309.98)	69,440.90	1,033.40	70,474.30
Profit for the Year (A)	-	-	11,325.38	-	11,325.38	(265.29)	11,060.09
Other Comprehensive Income (B)	-	-	-	(148.89)	(148.89)	(0.23)	(149.12)
Total Comprehensive Income for the Year (A+B)	-	-	11,325.38	(148.89)	11,176.49	(265.52)	10,910.97
Transition impact of Ind AS 116 (Net of Tax)	-	-	(116.88)	-	(116.88)	-	(116.88)
Transferred from Statement of Profit and Loss	-	5,967.05	(5,967.05)	-	-	-	-
Final Dividend on Equity Shares (FY 2018-19)	-	-	(1,690.76)	-	(1,690.76)	-	(1,690.76)
Interim Dividend on Equity Shares (FY 2019-20)	-	-	(1,690.76)	-	(1,690.76)	-	(1,690.76)
Tax on Dividend	-	-	(695.08)	-	(695.08)	-	(695.08)
Balance as at 31 <sup>st</sup> March, 2020	8,095.94	43,540.01	25,246.83	(458.87)	76,423.91	767.88	77,191.79
Profit for the Year (C)	-	-	10,077.34	-	10,077.34	(81.91)	9,995.43
Other Comprehensive Income (D)	-	-	-	21.30	21.30	0.83	22.13
Total Comprehensive Income for the Year (C+D)	-	-	10,077.34	21.30	10,098.64	(81.08)	10,017.56
Adjustment of earlier year	-	-	0.93	-	0.93	-	<b>0.93</b>
Distribution of Profit (Packcart Packaging LLP)	-	-	-	-	-	(4.90)	<b>(4.90)</b>
Transferred from Statement of Profit and Loss	-	5,460.46	(5,460.46)	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-
Increase in Non Controlling Interest	-	-	-	-	-	490.00	<b>490.00</b>
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>8,095.94</b>	<b>49,000.47</b>	<b>29,864.64</b>	<b>(437.57)</b>	<b>86,523.48</b>	<b>1,171.90</b>	<b>87,695.38</b>

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**  
Chartered Accountants  
(Firm Registration No.: 106792W)  
**N.M.Nagri**  
Proprietor  
Membership No. 016992  
Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**  
CFO & COO  
(Fin. & Comm.)  
Mem. No. ACA 040113  
**Hemal Sadiwala**  
Company Secretary  
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**Vikram Somany** (DIN:00048827) Chairman and Managing Director  
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**Akriti Jain** (DIN:08259413) Director  
**Ayush Bangla** (DIN:01211591) Executive Director  
**Atul Sanghvi** (DIN:00045903) Executive Director & CEO



Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021

(₹ In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A. Cash flows from Operating activities</b>		
<b>Net Profit before tax</b>	<b>13,391.97</b>	<b>13,487.48</b>
<b>Adjustments for :</b>		
Depreciation & Amortization	3,957.09	3,877.22
Allowance for expected credit loss - Trade Receivables	336.07	404.51
Allowance for expected credit loss - Capital Advance	117.23	93.78
Amortization of Prepaid Rentals	13.39	18.36
Bad Debts	16.00	1.44
Finance Cost (Other than Loss on Foreign Exchange Fluctuations)	967.67	1,005.04
Interest on Security Deposit (Non Cash)	(14.23)	(18.41)
Other Interest Received	(303.30)	(214.49)
Foreign Exchange Variation (Income) / Loss (Net)	7.22	6.35
Profit on Sale of Investments	(63.99)	(135.92)
Net Gain on Fair Valuation of Investments in Mutual Funds	(1,648.46)	(1,130.57)
Liabilities & Provisions no longer required, written back	(115.26)	(56.58)
Loss / (Gain) on Foreign Currency Translation (Net)	5.19	(5.98)
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	(30.16)	157.08
Deferred Income on Capital Subsidy	(1.49)	(1.49)
Loss / (Gain) on Termination of Lease	(32.03)	-
	<b>3,210.94</b>	<b>4,000.34</b>
<b>Operating profit before working capital changes</b>	<b>16,602.91</b>	<b>17,487.82</b>
<b>Adjustments for changes in working capital</b>		
(Increase)/Decrease in Inventories	4,331.91	(2,720.46)
(Increase)/ Decrease in Trade Receivables	986.03	7,144.69
(Increase)/ Decrease in Other Financial Assets	(291.72)	(406.96)
(Increase)/Decrease in Other Assets	1,985.37	(171.52)
Increase/(Decrease) in Trade Payable	6,004.50	(1,562.56)
Increase/(Decrease) in Other Financial Liabilities	(597.02)	(1,361.54)
Increase/(Decrease) in Provisions	(66.83)	368.92
Increase/(Decrease) in Other Liabilities	807.60	(824.41)
	<b>13,159.84</b>	<b>466.16</b>
<b>Cash generated from operations</b>	<b>29,762.75</b>	<b>17,953.98</b>
Income Taxes paid	(2,962.51)	(5,049.44)
<b>Net cash generated by Operating activities (Total-A)</b>	<b>26,800.24</b>	<b>12,904.54</b>
<b>B. Cash flow from Investing activities</b>		
Payments for Property, Plant and Equipments, Capital Work-in-progress & Capital Advances	(1,441.53)	(4,580.81)
Payments for Computer Software	(24.14)	(52.25)
Proceeds from sale of Property, Plant and Equipments & Intangible Assets	62.53	99.44
Payments for purchase of Debentures	(1,221.57)	(203.42)
Proceeds from redemption of Debentures	1,371.24	-
Proceeds / (Payments) from Fixed Deposit	(253.07)	117.39
Payments for purchase of Mutual Funds	(39,882.19)	(18,050.00)
Proceeds from sale of Mutual Funds	17,138.68	16,072.80
Payments for purchase of Bonds	(307.22)	(1,589.35)
Proceeds from redemption of Bonds	20.96	-
Interest Received	303.30	214.49
<b>Net cash used in Investing activities (Total-B)</b>	<b>(24,233.01)</b>	<b>(7,971.71)</b>

(` In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>C. Cash flow from Financing activities</b>		
Proceed from Issue of Share Capital	490.00	-
Payment of Lease Liabilities	(756.72)	(748.73)
Proceeds / (Repayment) of Long-Term Borrowings (Net)	248.34	504.40
Proceeds / (Repayment) of Short Term Borrowings (Net)	(1,073.86)	(370.06)
Payment of Preference Dividend and Dividend Distribution Tax	-	(30.02)
Dividend on Equity Shares paid	-	(3,381.52)
Tax on Dividend	-	(695.08)
Distribution of Profit (Packart Packaging LLP)	(4.90)	-
Finance Cost (Other than Non Cash)	(786.06)	(794.99)
<b>Net cash used in Financing activities (Total-C)</b>	<b>(1,883.20)</b>	<b>(5,516.00)</b>
<b>Net increase in Cash &amp; cash equivalents (A+B+C)</b>	<b>684.03</b>	<b>(583.17)</b>
<b>Cash &amp; cash equivalent - Opening Balance</b>	<b>83.30</b>	<b>666.47</b>
<b>Cash &amp; cash equivalent - Closing Balance</b>	<b>767.33</b>	<b>83.30</b>

**Notes to Cash Flow Statement**

- Components of Cash & cash equivalents

Balances with banks	752.38	69.30
Cash on Hand	14.95	14.00
<b>Cash &amp; cash equivalents considered in Cash Flow Statement</b>	<b>767.33</b>	<b>83.30</b>
- The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.
- Reconciliation of Liabilities arising from Financing activities.

(` In lakhs)

Particulars	Outstanding as at 1 <sup>st</sup> April, 2020	Cash Flows	Non-Cash changes	Outstanding as at 31 <sup>st</sup> March, 2021
<b>Long Term Borrowings :</b>				
Term Loan from Bank (Current + Non Current)	3,017.84	248.34	-	3,266.18
Preference Shares Capital	2,077.00	-	-	2,077.00
Short Term Borrowings	4,099.30	(1,073.86)	-	3,025.44
Lease Liabilities	1,967.54	(756.72)	423.41	1,634.23
<b>Total Liabilities from Financing activities</b>	<b>11,161.68</b>	<b>(1,582.24)</b>	<b>423.41</b>	<b>10,002.85</b>

**Significant Accounting Policies****Note 3.7**

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**

CFO & COO

(Fin. & Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

**Deepshikha Khaitan**

**Sajan Kumar Pasari**

**Lalit Kumar Bohania**

**Surendra Singh Baid**

**Akriti Jain**

**Ayush Bagla**

**Atul Sanghvi**

(DIN:00048827)

(DIN:03365068)

(DIN:00370738)

(DIN:00235869)

(DIN:02736988)

(DIN:08259413)

(DIN:01211591)

(DIN:00045903)

Chairman and Managing Director

Joint Managing Director

Director

Director

Director

Director

Executive Director

Executive Director & CEO

## Significant Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021

### 1. Corporate Information

Cera Sanitaryware Limited (the "Parent Company") is a public limited company domiciled in India having its registered office situated at 9, GIDC Industrial Estate, Kadi – 382715, Dist. Mehsana, Gujarat, India. The Company was incorporated on 17<sup>th</sup> July, 1998, under the provisions of the Companies Act, 1956 applicable in India and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. The Company is engaged in the business of manufacturing, selling and trading of building products and is having non-conventional wind & solar power for captive use in the State of Gujarat.

The Consolidated Financial Statements include the consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and consolidated Cash Flow Statement of the Parent Company and its under mentioned subsidiaries (hereinafter referred as the 'Group').

Company / Firm	Date of shareholding / membership	Country of incorporation	% of shareholding
Anjani Tiles Limited	23 <sup>rd</sup> November, 2015	India	51%
Packcart Packaging LLP	24 <sup>th</sup> June, 2016	India	51%
Race Polymer Arts LLP	09 <sup>th</sup> May, 2018	India	51%

### 2. Basis of Preparation

#### 2.1 Statement of Compliance with Ind AS.

The Consolidated Financial Statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the subsequent amendments from time to time notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These Consolidated Financial Statements of the Group as at and for the year ended 31<sup>st</sup> March, 2021 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 10<sup>th</sup> June, 2021.

#### 2.2 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also a functional currency. All the values have been rounded off to the nearest lakh, unless otherwise indicated.

#### 2.3 Basis of Measurement

These Consolidated Financial Statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities (including Derivative Instruments)	Fair Value

#### 2.4 Basis of consolidation

(a) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(b) The Consolidated Financial Statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profit/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The Consolidated Financial Statements have been presented to extent possible, in a same manner as Parent Company's Standalone Financial Statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

(c) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

#### 2.5 Investments in Joint Venture and Associates

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Consolidated Statement of Profit and Loss.

When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint venture.

### 3. Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### (a) Tangible Assets

###### [i] Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS 115 "Revenue from Contracts with Customers".

###### [ii] Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

###### [iii] Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

###### [iv] Research and Development Cost

Research and Development Costs that are in the nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

###### [v] Depreciation / Amortization

Depreciation is calculated on cost of items of property plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of plant and machinery, electric plant & installation and dies & moulds and using the written down value method in respect of other assets. Depreciation is generally recognised in the Statement of Profit and Loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on external/internal technical evaluation as under:

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Dies and Moulds	3 years
Other Buildings on leased premises	10 years

The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Parent Company's Plant and Equipments are considered on the basis of continuous process plant.

Depreciation on additions (disposals) is provided on a pro rata basis that is from (upto) the date on which asset is ready for use (disposed of).

##### (b) Capital work-in-progress

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

**(c) Intangible Assets****[i] Initial Recognition and Classification**

Intangible assets including those acquired by the Parent Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**[ii] Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

**[iii] Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the written down value method and is included in depreciation and amortisation expense in Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding three years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**[iv] Derecognition**

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

**[v] Intangible Assets under Development**

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under Development".

**(d) Impairment of Non Financial Assets**

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.2 Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred and reported in finance costs.

**3.3 Operating Cycle**

Based on the nature of products/activities of the Group and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Group has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3.4 Current versus Non-Current Classification**

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset/ liability is treated as current when it is:-

- \* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle
- \* Held primarily for the purpose of trading.
- \* Expected to be realised / settled within twelve months after the reporting period, or
- \* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**3.5 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Excess / shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

### 3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

### 3.7 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### 3.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in the case of:

- \* a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- \* a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed in the Financial Statements.

### 3.9 Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

### 3.10 Foreign Currency Transactions and Translations

#### Initial Recognition

The Group financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

In case of advance receipts / payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

#### Measurement at the Balance Sheet Date

Foreign Currency monetary items of the Group, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of the Group monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

### 3.11 Revenue from Contracts with Customers

The Group recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Further, the Group evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

#### Sale of Goods

Most of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

As per Ind AS 115, the Group determines whether there is a significant financing component in its contracts. However, the Group has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the group does not account for a financing component. No long - term advances from customers are generally received by the Group.

The Group provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Retrospective volume rebates give rise to variable consideration. To estimate the variable consideration, the group considers that the most likely amount method better predicts the amount of variable consideration.

The Group provides for warranties for general repairs and replacement which will be assurance-type warranties under Ind AS 115, which will continue to be accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

#### **Rendering of Services**

The Parent Company is rendering after sales services for its sold products. The after sales services is rendered against independent contracts with customers or against assurance type warranty for goods sold. Revenue from sale of services is recognised at an amount entitled in exchange for transferring services at a point in time to a customer.

#### **Interest, Dividends and Other Income**

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the unconditional right to receive payment is established. Other income is recognised on accrual basis except where the receipt of income is uncertain.

### **3.12 Leases**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Effective 1<sup>st</sup> April, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1<sup>st</sup> April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

#### **Group as a lessee**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer Note No. 45, classification of leases and other disclosures relating to leases.

#### **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 lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 3.13 Employee Benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### Defined Contribution Plans

The Group contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Group has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

#### Defined Benefit Plans

The Parent Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

#### Short-term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### Long-term Employee Benefits

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

### 3.14 Taxes on Income

Income tax comprises Current and Deferred Tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognised directly in equity or in other comprehensive income.

#### (a) Current Tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### (b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



### 3.15 Government Grants

Government Grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the condition associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of assets.
- In case of grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

### 3.16 Equity, Reserves and Dividend Payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution (including interim dividend) to equity shareholders is accounted for in the year of actual distribution.

### 3.17 Significant Judgments, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

#### Judgments

In the process of applying the Group accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (a) Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

##### (b) Estimation of Defined Benefit Obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(c) Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(d) Estimation of Current Tax and Deferred Tax**

Management judgment is required for the calculation of provision for income – taxes and deferred tax assets and liabilities. The Group reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

**(e) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates (ECL). The Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(f) Impairment of Investments in Joint Ventures and Associates**

The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the estimated recoverable amount is less than its carrying amount, the impairment loss is accounted for in the Statement of Profit and Loss.

**(g) Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the profitability, liquidity and on the carrying amounts of receivables, inventories, other financial assets and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of these assets will be recovered in near future. The impact of COVID-19 on the Group's financial results may differ from that estimated.

**3.18 Fair Value Measurement**

The Group measures financial instruments such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- \* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- \* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- \* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.19 Financial Instruments****I. Financial Assets****(a) Initial Recognition and Measurement**

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

**(b) Subsequent Measurement****[i] Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**[ii] Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**[iii] Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

**(c) Impairment of Financial Assets**

The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(d) Derecognition of Financial Assets**

A financial asset is derecognised when:

- \* The Group has transferred the right to receive cash flows from the financial assets or
- \* Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group shall continue to recognise the financial asset.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial assets. Where the Group retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**II. Financial Liabilities****Initial Recognition and Subsequent Measurement**

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**III. Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

**IV. Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.20 Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a Notification, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**I. Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**II. Statement of Profit and Loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the Consolidated Financial Statements.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March, 2021

## Note - 4. PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

## (a) Property, Plant and Equipment

(` in lakhs)

Sr. No.	Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
<b>1</b>	<b>Cost of Assets</b>									
	As at 1 <sup>st</sup> April, 2019	6.17	1,534.17	15,292.10	31,394.92	2,210.45	1,109.37	820.43	988.64	53,356.25
	Addition / Transfers	-	115.30	3,558.11	2,332.45	680.57	112.12	123.06	89.13	7,010.74
	Disposal / Adjustments	(6.17)	-	-	(298.98)	(1.80)	(36.74)	(0.43)	(33.91)	(378.03)
	As at 31 <sup>st</sup> March, 2020	-	1,649.47	18,850.21	33,428.39	2,889.22	1,184.75	943.06	1,043.86	59,988.96
	Addition / Transfers	-	350.27	79.76	704.65	123.75	66.09	31.34	29.34	<b>1,385.20</b>
	Disposal / Adjustments	-	-	-	(4.83)	(12.35)	(47.59)	(4.70)	(63.65)	<b>(133.12)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>1,999.74</b>	<b>18,929.97</b>	<b>34,128.21</b>	<b>3,000.62</b>	<b>1,203.25</b>	<b>969.70</b>	<b>1,009.55</b>	<b>61,241.04</b>
<b>2</b>	<b>Depreciation / Amortization</b>									
	As at 1 <sup>st</sup> April, 2019	0.30	-	4,683.60	7,467.99	825.07	892.00	491.64	550.14	14,910.74
	Charge for the year	-	-	938.89	1,293.03	601.42	133.21	114.95	146.25	3,227.75
	Disposal / Adjustments	(0.30)	-	-	(70.41)	(1.16)	(31.58)	(0.29)	(19.47)	(123.21)
	As at 31 <sup>st</sup> March, 2020	-	-	5,622.49	8,690.61	1,425.33	993.63	606.30	676.92	18,015.28
	Charge for the year	-	-	1,005.99	1,384.68	516.01	102.79	107.37	116.54	<b>3,233.38</b>
	Disposal / Adjustments	-	-	-	(0.27)	(7.38)	(42.94)	(2.43)	(47.74)	<b>(100.76)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>-</b>	<b>6,628.48</b>	<b>10,075.02</b>	<b>1,933.96</b>	<b>1,053.48</b>	<b>711.24</b>	<b>745.72</b>	<b>21,147.90</b>
<b>3</b>	<b>Net Block</b>									
	As at 31 <sup>st</sup> March, 2020	-	1,649.47	13,227.72	24,737.78	1,463.89	191.12	336.76	366.94	41,973.68
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>1,999.74</b>	<b>12,301.49</b>	<b>24,053.19</b>	<b>1,066.66</b>	<b>149.77</b>	<b>258.46</b>	<b>263.83</b>	<b>40,093.14</b>
<b>(b)</b>	<b>Capital work-in-progress</b>									
	As at 1 <sup>st</sup> April, 2019	-	0.18	1,261.25	620.29	14.31	0.47	4.57	0.02	1,901.09
	Addition	-	52.29	1,843.33	206.58	49.97	-	0.31	-	2,152.48
	Transfers / Adjustments	-	(52.47)	(3,101.07)	(777.44)	(64.28)	(0.47)	(4.88)	(0.02)	(4,000.63)
	As at 31 <sup>st</sup> March, 2020	-	-	3.51	49.43	-	-	-	-	52.94
	Addition	-	-	127.15	37.88	-	-	-	-	<b>165.03</b>
	Transfers / Adjustments	-	-	(10.16)	(74.39)	-	-	-	-	<b>(84.55)</b>
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>-</b>	<b>120.50</b>	<b>12.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133.42</b>

## Notes:

- Previous period's figures have been re-grouped / re-classified wherever required to current year's classification.
- Refer Notes No. 18 and 23 for information on Property, Plant and Equipment pledged as security by the Group.
- Cost of Buildings includes ownership offices in co-operative societies for ` 2,179.55 lakhs (Previous year ` 2,179.55 lakhs) including 40 shares of ` 50/- each and 10 shares of ` 50/- each in respective Co-operative societies.
- The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ` 202.36 lakhs as on 31<sup>st</sup> March, 2021 and ` 787.31 lakhs as on 31<sup>st</sup> March, 2020. [Refer Note No. 45(b)]

## Note - 5. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Sr. No.	Particulars	Computer Softwares
<b>1</b>	<b>Cost of Assets</b>	
	As at 1 <sup>st</sup> April, 2019	520.68
	Addition / Transfers	105.02
	Disposal / Adjustments	(5.11)
	<b>As at 31<sup>st</sup> March, 2020</b>	<b>620.59</b>
	Addition / Transfers	<b>24.14</b>
	Disposal / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>644.73</b>
<b>2</b>	<b>Amortization</b>	
	As at 1 <sup>st</sup> April, 2019	432.95
	Charge for the year	71.39
	Disposal / Adjustments	(3.41)
	<b>As at 31<sup>st</sup> March, 2020</b>	<b>500.93</b>
	Charge for the year	<b>67.31</b>
	Disposal / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>568.24</b>
<b>3</b>	<b>Net Block</b>	
	As at 31 <sup>st</sup> March, 2020	119.66
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>76.49</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>		
	As at 1 <sup>st</sup> April, 2019	52.77
	Addition	-
	Transfers / Adjustments	(52.77)
	<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>
	Addition	-
	Transfers / Adjustments	-
	<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 6. INVESTMENTS - NON-CURRENT</b>			
<b>Non-Current Investments</b>			
<b>Trade Investments (valued at cost unless otherwise specified)</b>			
<b>A Investments in Equity Instruments</b>			
<b>Investments in Associates (Unquoted)</b>			
(a)	Nil Equity Shares of Cera Sanitaryware Trading LLC-Dubai (175 Shares of AED 1000/- each fully paid up as at 31 <sup>st</sup> March, 2020) Add / (Less): Share of Profit / (Loss) from Associate (Refer Note No. 6.1 below)	- - -	1.43  (1.43) -
(b)	Milo Tile LLP Add / (Less): Share of Profit / (Loss) from Associate	817.04 4.76	809.12 7.92
<b>Total Trade Investments in Associates (A)</b>		<b>821.80</b>	<b>817.04</b>
<b>Non Trade Investments</b>			
<b>B Investments in Debentures (at amortised cost) (Unquoted)</b>			
(a)	State Bank of India Series1 9.56% - NCD Perpetual 10 Units of face value of ` 10,00,000 per unit (10 Units of face value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020 )	102.43	103.75
(b)	State Bank of India Series1 7.74% - NCD Perpetual 50 Units of face value of ` 10,00,000 per unit (Nil as at 31 <sup>st</sup> March, 2020)	501.25	-
(c)	Mahindra And Mahindra Financial Services Ltd SR AG2020 BR NCD 06JU22 20 Units of face Value of ` 10,00,000 per unit (Nil as at 31 <sup>st</sup> March, 2020)	211.32	-
(d)	State Bank of India Series 1 7.73% - NCD Perpetual 50 Units of face value of ` 10,00,000 per unit (Nil as at 31 <sup>st</sup> March, 2020)	509.00	-
(e)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures Nil Units (100 Units of face Value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020)	-	1,145.08
(f)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures Nil Units (20 Units of face Value of ` 10,00,000 per unit as at 31 <sup>st</sup> March, 2020)	-	224.84
<b>Total (B)</b>		<b>1,324.00</b>	<b>1,473.67</b>
<b>C Investments in Bonds (at amortised cost) (Unquoted)</b>			
(a)	Indian Railway Finance Corporation Limited 8 / 8.15 (Tax free) 50,000 Bonds of face value of ` 1,000 per Bond (50,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	514.03	523.25
(b)	Rural Electrification Corporation Limited SR - 2 8.12 / 8.32 (Tax free) 28,000 Bonds of face value of ` 1,000 per Bond (28,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	317.68	322.04
(c)	Indian Railway Finance Corporation Limited 7.18 / 7.68 (Tax free) 30,000 Bonds of face value of ` 1,000 per Bond (30,000 Bonds of face value of ` 1,000 per Bond as at 31 <sup>st</sup> March, 2020)	309.02	311.78
(d)	Indian Railway Finance Corporation Limited SR - 79 A 7.77 (Tax free) 385 Bonds of face value of ` 1,00,000 per Bond (385 Bonds of face value of ` 1,00,000 per Bond as at 31 <sup>st</sup> March, 2020)	427.65	432.28
(e)	HDFC Bank Limited SR - 1 8.85 BD Perpetual 30 Bonds of face value of ` 10,00,000 per Bond (Nil as at 31 <sup>st</sup> March, 2020)	307.22	-
<b>Total (C)</b>		<b>1,875.60</b>	<b>1,589.35</b>
<b>D Investments in Government Securities (at cost) (Unquoted)</b>			
National Savings Certificates (Deposited with Government Department)		0.13	0.13
<b>Total (D)</b>		<b>0.13</b>	<b>0.13</b>
<b>Total Non-Trade Investments (B + C + D)</b>		<b>3,199.73</b>	<b>3,063.15</b>
<b>Aggregate amount of Unquoted Investments (A + B + C + D)</b>		<b>4,021.53</b>	<b>3,880.19</b>

**Notes :**

**6.1** Business operations of Cera Sanitaryware Trading LLC-Dubai (Associate) have been closed / terminated w.e.f. 12<sup>th</sup> October, 2020 due to continuing unviable business operations. The appropriate Authority at Dubai has commenced the company closure process. The unrecognised share in accumulated losses up to 31<sup>st</sup> March, 2020 have been adjusted against the profit earned during the period (up to the date of closure). (Refer Note No. 6.3 of financial statements for F.Y. 2019-20)

**6.2 Ownership Interest in Subsidiaries :**

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%)		Activities
			As on 31 <sup>st</sup> March, 2021	As on 31 <sup>st</sup> March, 2020	
1	Shares of Cera Sanitaryware Trading LLC (Refer Note No. 6.1)	Dubai	-	25%	} Trading of Tiles, flooring materials & Sanitaryware Manufacturing of Tiles
2	Milo Tile LLP	India	26%	26%	

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
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**Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT****At amortized cost**

1	Security Deposits (Unsecured, considered good)	287.52	323.66
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**Other Bank Balances**

2	Bank FDs with more than 12 months maturity	605.50	707.60
3	Margin Money Deposits with bank held as security with more than 12 months maturity	519.20	323.51

**Total**

1,412.22	1,354.77
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**Note - 8. OTHER NON-CURRENT ASSETS****1 Capital Advances**

	Less: Allowance for Expected Credit Loss (Refer Note No. 37)	(211.01)	(93.78)
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**Net Capital Advances**

380.91	522.29
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**2 Advances other than Capital Advances**

(a) Others Advances (Unsecured, considered good)

(i) Advance Lease Rentals - Security Deposits

(ii) Other Security Deposit

(b) Advance Income Tax for earlier years

**Total**

654.84	747.76
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**Note - 9. INVENTORIES****As taken, valued & certified by the Management****At lower of Cost and Net Realisable Value**

1	Raw Materials	3,062.44	2,735.87
2	Work-in-progress	937.17	870.09
3	Finished Goods	3,695.86	7,837.22
4	Stock-in-trade	10,273.84	10,803.17
5	Stores and Spares	1,996.80	2,051.66
	<b>Total</b>	<b>19,966.11</b>	<b>24,298.01</b>

**Note :**

**9.1** Refer Note No. 23 for information on inventory pledged as security by the Group.

**Note - 10. INVESTMENTS - CURRENT****Current Investments****Investments in Mutual Funds (Unquoted)****Measured at fair value through Profit & Loss (FVTPL)**

1	SBI Savings Fund - Direct Plan - Growth 22160648.6000 Units NAV of ` 34.1958 each (7976280.2420 Units NAV of ` 32.3670 each as at 31 <sup>st</sup> March, 2020)	7,578.01	2,581.68
2	IDFC Corporate Bond Fund Regular Plan Growth 4905590.7810 Units NAV of ` 15.0230 each (9494369.4800 Units NAV of ` 13.7813 each as at 31 <sup>st</sup> March, 2020)	736.97	1,308.45
3	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 7162196.6570 Units NAV of ` 24.9279 each (3175675.7250 Units NAV of ` 22.9139 each as at 31 <sup>st</sup> March, 2020)	1,785.39	727.67

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
4	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund - Growth) 629432.2520 Units NAV of ` 30.8536 each (2923816.4170 Units NAV of ` 28.6042 each as at 31 <sup>st</sup> March, 2020)	194.20	836.33
5	HDFC Banking & PSU Debt Fund - Regular Plan - Growth 2026124.5910 Units NAV of ` 17.8375 each (3940457.2120 Units NAV of ` 16.5211 each as at 31 <sup>st</sup> March, 2020)	361.41	651.01
6	Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) 44832.9110 Units NAV of ` 2097.7900 each (44832.9110 Units NAV of ` 1940.9982 each as at 31 <sup>st</sup> March, 2020)	940.50	870.21
7	SBI Magnum Ultra Short Duration Fund Direct Growth 47195.7030 Units NAV of ` 4718.9734 each (10671.6110 Units NAV of ` 4479.6480 each as at 31 <sup>st</sup> March, 2020)	2,227.15	478.05
8	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 4164632.5570 Units NAV of ` 19.5405 each (4164632.5570 Units NAV of ` 17.9641 each as at 31 <sup>st</sup> March, 2020)	813.79	748.14
9	Axis Short Term Fund - Growth (ST-GP) 4491579.0260 Units NAV of ` 23.8933 each (2674776.8050 Units NAV of ` 22.1393 each as at 31 <sup>st</sup> March, 2020)	1,073.19	592.18
10	Axis Banking & PSU Debt Fund - Regular Growth (BD-GP) 54671.6500 Units NAV of ` 2059.4026 each (44644.7180 Units NAV of ` 1911.3661 each as at 31 <sup>st</sup> March, 2020)	1,125.91	853.33
11	IDFC Banking & PSU Debt Fund - Regular Plan - Growth 5750828.9360 Units NAV of ` 19.2347 each (1644841.0060 Units NAV of ` 17.7431 each as at 31 <sup>st</sup> March, 2020)	1,106.15	291.84
12	L & T Banking and PSU Debt Fund - Regular Growth 5507136.2820 Units NAV of ` 19.4044 each (2940258.9600 Units NAV of ` 17.9846 each as at 31 <sup>st</sup> March, 2020)	1,068.63	528.79
13	L & T Banking and PSU Debt Fund Direct Plan - Growth 583083.5790 Units NAV of ` 20.1120 each (583083.5790 Units NAV of ` 18.5660 each as at 31 <sup>st</sup> March, 2020)	117.27	108.26
14	SBI Magnum Low Duration Fund - Direct Growth 411058.9000 Units NAV of ` 2795.7642 each (100191.4170 Units NAV of ` 2629.9735 each as at 31 <sup>st</sup> March, 2020)	11,492.24	2,635.01
15	ICICI Prudential Corporate Bond Fund - Growth 2831219.4670 Units NAV of ` 22.6880 each (1353866.1490 Units NAV of ` 20.8260 each as at 31 <sup>st</sup> March, 2020)	642.35	281.96
16	L & T Short Term Bond Fund - Growth 2521308.8490 Units NAV of ` 20.8400 each (1001359.7410 Units NAV of ` 19.4792 each as at 31 <sup>st</sup> March, 2020)	525.44	195.06
17	SBI Corporate Bond Fund - Regular Plan Growth 9761597.1200 Units NAV of ` 12.0821 each (913450.5590 Units NAV of ` 11.2190 each as at 31 <sup>st</sup> March, 2020)	1,179.41	102.48
18	Edelweiss Mutual Fund Bharat Bond ETF- April-2030 40000 Units NAV of ` 1134.3684 each (40000 Units NAV of ` 1040.3362 each as at 31 <sup>st</sup> March, 2020)	453.75	416.13
19	Kotak Banking and PSU Debt Fund - Regular Plan - Growth 1270249.3920 Units NAV of ` 50.3152 each (857765.3500 Units NAV of ` 46.7166 each as at 31 <sup>st</sup> March, 2020)	639.13	400.72
20	Kotak Floating Rate Fund - Regular Plan - Growth 195064.6600 Units NAV of ` 1149.8455 each (56760.4220 Units NAV of ` 1062.8972 each as at 31 <sup>st</sup> March, 2020)	2,242.94	603.30
21	L & T Triple Ace Bond Fund - Direct Plan - Growth 1335436.2750 Units NAV of ` 59.6391 each (909243.0010 Units NAV of ` 55.2667 each as at 31 <sup>st</sup> March, 2020)	796.44	502.51
22	L & T Triple Ace Bond Fund - Growth 1097031.1720 Units NAV of ` 56.8021 each (380457.4240 Units NAV of ` 52.8158 each as at 31 <sup>st</sup> March, 2020)	623.14	200.94



Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
23	ICICI Prudential Banking & PSU Debt Fund - Growth 3439414.8080 Units NAV of ` 24.9814 each (Nil Units as at 31 <sup>st</sup> March, 2020)	859.21	-
24	IDFC Bond Fund - Short Term Plan - Regular Plan Growth 2076176.3730 Units NAV of ` 44.6658 each (Nil Units as at 31 <sup>st</sup> March, 2020)	927.34	-
25	HDFC Corporate Bond Fund - Direct Plan - Growth 1463914.5070 Units NAV of ` 25.1835 each (Nil Units as at 31 <sup>st</sup> March, 2020)	368.66	-
26	ICICI Prudential Short Term Fund Growth 2371754.8990 Units NAV of ` 45.8632 each (Nil Units as at 31 <sup>st</sup> March, 2020)	1,087.76	-
27	Kotak Floating Rate Fund - Direct Plan Growth 13375.9980 Units NAV of ` 1157.0556 each (Nil Units as at 31 <sup>st</sup> March, 2020)	154.77	-
28	SBI Dynamic Bond Fund - Direct Growth 709853.9780 Units NAV of ` 29.2065 each (Nil Units as at 31 <sup>st</sup> March, 2020)	207.32	-
29	Bharat Bond FOF-April 2025 - Direct Plan Growth 5046123.8910 Units NAV of ` 10.2339 each (Nil Units as at 31 <sup>st</sup> March, 2020)	516.42	-
30	Axis Corporate Debt Fund - Regular Growth (CO-GP) 8021457.6570 Units NAV of ` 13.1754 each (Nil Units as at 31 <sup>st</sup> March, 2020)	1,056.86	-
31	DSP Bond Fund - Regular Plan Growth 791425.2720 Units NAV of ` 63.5391 each (Nil Units as at 31 <sup>st</sup> March, 2020)	502.86	-
32	Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular Plan (Formerly Aditya Birla Sun Life Short Term Fund) Nil Units (693748.2870 Units NAV of ` 78.2543 each as at 31 <sup>st</sup> March, 2020)	-	542.89
33	SBI Liquid Fund Direct Growth (Formerly SBI Premier Liquid Fund - Direct Plan - Growth) Nil Units (39699.7110 Units NAV of ` 3109.0184 each as at 31 <sup>st</sup> March, 2020)	-	1,234.27
34	L & T Low Duration Fund - Growth (Formerly L & T Short Term Income Fund - Growth) Nil Units (405099.6260 Units NAV of ` 20.9825 each as at 31 <sup>st</sup> March, 2020)	-	85.00
35	ICICI Prudential Short Term Fund - Growth Option Nil Units (302519.6860 Units NAV of ` 42.1693 each as at 31 <sup>st</sup> March, 2020)	-	127.57
36	Kotak Medium Term Fund - Regular Plan - Growth Nil Units (1867078.9180 Units NAV of ` 16.2921 each as at 31 <sup>st</sup> March, 2020)	-	304.19
37	IDFC Credit Risk Fund - Regular Plan - Growth (Formerly IDFC Credit Opportunities Fund - Regular Plan - Growth) Nil Units (2001380.9530 Units NAV of ` 12.3386 each as at 31 <sup>st</sup> March, 2020)	-	246.94
38	ICICI Prudential Credit Risk Fund - Growth (Formerly ICICI Prudential Regular Savings Fund - Growth) Nil Units (559816.3800 Units NAV of ` 21.7478 each as at 31 <sup>st</sup> March, 2020)	-	121.75
39	HDFC Credit Risk Debt Fund (in which HDFC Regular Savings Fund - Regular Plan Growth (Short Term) merged) Nil Units (2234714.4310 Units NAV of ` 16.6461 as at 31 <sup>st</sup> March, 2020)	-	371.99
	<b>Total</b>	<b>43,404.61</b>	<b>18,948.65</b>
	<b>Aggregate Cost of Unquoted Investments</b>	<b>41,440.35</b>	<b>17,277.06</b>
	<b>Aggregate Fair Value of Unquoted Investments</b>	<b>43,404.61</b>	<b>18,948.65</b>

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 11. TRADE RECEIVABLES - CURRENT</b>			
1	Trade Receivables considered good - Secured	2,630.71	2,500.86
2	Trade Receivables considered good - Unsecured	17,420.49	19,241.64
3	Trade Receivables which have significant increase in Credit Risk	-	-
4	Trade Receivables - Credit Impaired	1,841.03	1,152.85
		<u>21,892.23</u>	<u>22,895.35</u>
	Less: Allowance for Expected Credit Losses on (d) above	945.53	610.55
	<b>Total</b>	<u>20,946.70</u>	<u>22,284.80</u>
<b>Movement in Allowance for Expected Credit Losses</b>			
	<b>Balance at the beginning of the year</b>	610.55	206.61
	Allowance for Expected Credit Losses provided during the year (Refer Note No. 37)	336.07	404.51
	Amounts written back during the year	(1.09)	(0.57)
	Amounts of Trade Receivables written off during the year	-	-
	<b>Balance at the end of the year</b>	<u>945.53</u>	<u>610.55</u>
<b>Notes :</b>			
11.1 Refer Note No. 23 for information on Trade Receivables pledged as security by the Group.			
11.2 No Trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.			
11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.			
11.4 Trade Receivables of the Group are non-interest bearing and are generally on credit terms up to 60 days.			
11.5 Refer Note No. 40 for dues from an Associate. (Unsecured, considered good)			
<b>Note - 12. CASH AND CASH EQUIVALENTS</b>			
1	Balances with banks in current accounts	752.38	69.30
2	Cash on hand	14.95	14.00
	<b>Total</b>	<u>767.33</u>	<u>83.30</u>
<b>Note - 13. OTHER BALANCES WITH BANKS</b>			
1	Bank Fixed Deposits with original maturity of more than 3 months but less than 12 months	166.18	10.42
2	Earmarked Balances with Banks (Unpaid Dividend)*	107.52	120.63
	<b>Total</b>	<u>273.70</u>	<u>131.05</u>
* Not due for deposit in the Investor Education and Protection Fund			
<b>Note - 14. OTHER FINANCIAL ASSETS - CURRENT</b>			
<b>At amortised cost (Unsecured, considered good)</b>			
1	Security Deposits	183.65	202.98
2	Insurance claims receivable	99.20	75.35
3	Interest accrued and receivable	104.96	50.53
4	Advance to staff	59.63	44.44
5	Incentives / Grants Receivable from Government (Power & VAT/CST/SGST/Interest Subsidy)	2,210.27	1,899.66
	<b>Total</b>	<u>2,657.71</u>	<u>2,272.96</u>
<b>Note - 15. OTHER CURRENT ASSETS</b>			
<b>Advances other than Capital Advances (Unsecured, considered good)</b>			
Other Advances			
(i)	Prepaid Expenses	716.38	763.68
(ii)	Balance with Statutory/Government Authorities	117.29	157.43
(iii)	Advance Lease Rentals - Security Deposits	10.21	11.38
(iv)	Advances to related parties*	70.80	66.45
(v)	Other Advances	1,065.32	3,028.28
	<b>Total</b>	<u>1,980.00</u>	<u>4,027.22</u>
* Refer Note No. 40			

(` in lakhs)

Sr. No.	Particulars	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Note - 16. SHARE CAPITAL</b>			
1	<b>Authorized Share Capital</b>		
	2,00,00,000 Equity Shares of ` 5/- each	1,000.00	1,000.00
	(2,00,00,000 Equity Shares of ` 5/- each as at 31 <sup>st</sup> March, 2020)		
	<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>
2	<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
	1,30,05,874 Equity Shares of ` 5/- each fully paid up	650.29	650.29
	(1,30,05,874 Equity Shares of ` 5/- each fully paid up as at 31 <sup>st</sup> March, 2020)		
	<b>Total</b>	<b>650.29</b>	<b>650.29</b>

**16.1 The reconciliation of the number of Equity Shares outstanding and amount of share capital is set out below:**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	1,30,05,874	650.29	1,30,05,874	650.29
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,30,05,874	650.29	1,30,05,874	650.29

**16.2 Terms / Rights attached to Equity Share:**

The Company has only one class of Equity Shares having a par value of ` 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**16.3 Details of the shareholders holding more than 5% of the aggregate shares are set out below:**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	29,00,275	22.30%	29,00,275	22.30%
Shri Vikram Somany	9,45,847	7.27%	9,45,847	7.27%
Smt Smiti Somany	13,42,240	10.32%	13,42,240	10.32%
Nalanda India Equity Fund Limited	12,98,143	9.98%	11,72,121	9.01%

**16.4** There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 17. OTHER EQUITY</b>			
1	<b>Other Reserves</b>		
	(i) Securities Premium	8,095.94	8,095.94
	(ii) General Reserve		
	<b>Balance as per last financial year</b>	<b>43,540.01</b>	37,572.96
	Add : Transferred from Statement of Profit and Loss	<b>5,460.46</b>	5,967.05
		<b>49,000.47</b>	43,540.01
2	<b>Retained Earnings</b>		
	<b>Balance as per last financial year</b>	<b>25,246.83</b>	24,081.98
	Add : Transition impact of Ind AS 116 (Net of tax) (Refer Note No. 45)	-	(116.88)
	Adjustment of earlier year	<b>0.93</b>	-
	Add : Profit for the year	<b>10,077.34</b>	11,325.38
	Less : Appropriations		
	Transferred to General Reserve	<b>(5,460.46)</b>	(5,967.05)
	Dividend on Equity Shares distributed for F.Y. 2018-19	-	(1,690.76)
	Interim Dividend on Equity Shares distributed for F.Y. 2019-20	-	(1,690.76)
	Tax on Dividend	-	(695.08)
		<b>29,864.64</b>	25,246.83
3	<b>Other Comprehensive Income</b>		
	Remeasurements of Defined Benefit Plan		
	<b>Balance as per last financial year</b>	<b>(458.87)</b>	(309.98)
	Adjustments during the year		
	Add : Actuarial Loss on Remeasurement of Defined Benefit Plan	<b>28.53</b>	(198.96)
	Less : Current Tax effect on Gratuity	<b>(12.57)</b>	24.25
	Less : Deferred Tax on Leave Encashment/Gratuity	<b>5.34</b>	25.82
		<b>(437.57)</b>	(458.87)
	<b>Total</b>	<b>86,523.48</b>	76,423.91

**Nature and purpose of Other Reserves****a) Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

**b) General Reserve**

General Reserve is created out of profit after tax earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this Reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 17. NON CONTROLLING INTERESTS</b>			
	<b>Balance as per last financial year</b>	<b>(164.34)</b>	101.18
	Add : Profit for the year	<b>(81.91)</b>	(265.29)
	Add : Other Comprehensive Income	<b>1.17</b>	(0.29)
	Less : Deferred Tax on Other Comprehensive Income	<b>(0.34)</b>	0.06
	Less : Distribution of Profit (Packart Packaging LLP)	<b>(4.90)</b>	-
	<b>Total</b>	<b>(250.32)</b>	(164.34)
	Add : Share Capital Portion of Non Controlling Interests	<b>1,422.22</b>	932.22
	<b>Total</b>	<b>1,171.90</b>	767.88

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 18. BORROWINGS - NON-CURRENT</b>			
<b>Non-Current Borrowings</b>			
1	<b>Term Loans (Secured)</b>		
	From Banks		
	(i) The Federal Bank Ltd.	1,483.77	1,441.46
	(ii) Yes Bank Ltd.	-	11.67
	(iii) Union Bank of India	-	814.37
	(iv) HDFC Bank Ltd.	700.74	-
2	<b>Preference Shares</b>		
	2,07,70,000 1% Cumulative Redeemable Preference Shares of ` 10/- each fully paid up	2,077.00	2,077.00
	(2,07,70,000 1% Cumulative Redeemable Preference Shares of ` 10/- each fully paid up as at 31 <sup>st</sup> March, 2020)		
	<b>Total</b>	<b>4,261.51</b>	<b>4,344.50</b>

**Notes:****18.1 Terms of repayment of Term Loans from The Federal Bank Ltd. (Anjani Tiles Limited)**

Term loans from The Federal Bank Ltd. are secured by equitable mortgage (EM) of Industrial Land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal, Nellore, Andhra Pradesh and Factory Buildings and hypothecation of other fixed assets purchased out of the Term Loans proceeds, repayable from April, 2017 to October, 2024.

As on the date of Balance Sheet, there are no defaults in payment / repayment of interest and instalments. However, the Company has availed moratorium benefit extended by the RBI from March, 2020 to August, 2020.

During the year, the Company has availed Working Capital Term Loans (WCTL) from The Federal Bank Ltd. which are secured by movable / immovable assets of the Company.

**18.2 Terms of repayment of Term Loans from Yes Bank Ltd. (Packcart Packaging LLP)**

Term Loans from Yes Bank Ltd. are secured by hypothecation of movable fixed assets and current assets situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehsana, Gujarat, repayable in 48 monthly installments of ` 2.92 lakhs each starting from July, 2017 to June, 2021. Rate of Interest @ 9.75% p.a.

Term Loan is pre paid on 27<sup>th</sup> March, 2021.

**18.3 Terms of repayment of Term Loans from HDFC Bank Ltd. (Race Polymer Arts LLP)**

Term loans from Union Bank of India have been transferred to HDFC Bank Limited on 13<sup>th</sup> January, 2021. Term loans from HDFC Bank Ltd. are secured by equitable mortgage (EM) of lands at revenue survey no. 949, 77 and 81 together with factory buildings constructed thereon at Mauje Gamanpura & Mitha, Village - Balol, Mehsana- Becharaji Road, Dist. Mehsana - 384410 Gujarat and also secured by hypothecation of inventories and book debts.

Also Shreeyam Ceramics LLP (formerly known as Nemani Mould Plast LLP) and Shri Ashish Sharadkumar Nemani have given personal / corporate guarantee in favour of HDFC Bank Ltd.

Term loans are repayable in 65 equal monthly instalments of ` 15.97 lakhs (Principal and Interest) beginning from February, 2021 to June, 2026.

Rate of interest @ 7.15% p.a. (Floating Rate)

**18.4 The reconciliation of the number of Preference Shares outstanding and amount of preference share capital are set out below:**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,07,70,000	2,077.00	2,07,70,000	2,077.00
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,07,70,000	2,077.00	2,07,70,000	2,077.00

**18.5 Conditions of Redemption:**

(a) 1% Cumulative Redeemable Preference Shares shall be redeemed on completion of 7 years from the respective dates of allotment or before due date as may be authorised by the Board of Directors of the issuing subsidiary by giving one month prior notice to the preference share holders.

(b) Repayment Schedule of 1% Cumulative Redeemable Preference Shares

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Total
No. of shares	1,14,60,000	68,60,000	24,50,000	2,07,70,000
Amount	1,146.00	686.00	245.00	2,077.00

(c) No Capital Redemption Reserve has been created by Anjani Tiles Ltd. (Issuing Company) due to inadequate profits.

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 19. OTHER FINANCIAL LIABILITIES - NON-CURRENT</b>			
1	Deposits by Dealers	2,727.71	2,596.61
2	Due to others	22.23	22.23
	<b>Total</b>	<b>2,749.94</b>	<b>2,618.84</b>

**Note - 20. PROVISIONS - NON-CURRENT**

1	<b>Provision for Employee Benefits</b>		
	(a) Provision for Leave Encashment	616.37	606.20
	(b) Provision for Gratuity	6.20	16.70
2	<b>Provision for Tax</b>		
	Provision for Income Tax of earlier years	402.74	441.89
	<b>Total</b>	<b>1,025.31</b>	<b>1,064.79</b>

**Note - 21. DEFERRED TAX LIABILITIES (NET)**

1	<b>Deferred Tax Liabilities</b> (Arising on account of temporary difference)		
	(a) Assets: Impact of difference between carrying value and tax base of Depreciable assets	3,828.31	3,809.88
	(b) Impact of difference between carrying value and tax base of Investments in Mutual Funds	494.36	420.70
	<b>Total Deferred Tax Liabilities (A)</b>	<b>4,322.67</b>	<b>4,230.58</b>
2	<b>Deferred Tax Assets</b> (Arising on account of temporary difference)		
	(a) Leave Encashment and Gratuity	212.70	171.67
	(b) Unused Tax Losses	41.14	41.88
	(c) Unabsorbed Depreciation in Income tax	970.81	896.32
	(d) Deferred Govt. Grant	4.39	4.85
	(e) Others	68.39	120.88
	<b>Total Deferred Tax Assets (B)</b>	<b>1,297.43</b>	<b>1,235.60</b>
	<b>Net Deferred Tax Liabilities (A - B)</b>	<b>3,025.24</b>	<b>2,994.98</b>

**Reconciliation of Deferred Tax Liabilities (Net):**

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening Balance	2,994.98	4,359.98
Tax Expense/(Income) during the period recognised in Profit or Loss	35.26	(1,278.13)
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	(5.00)	(25.88)
Tax Expense/(Income) during the period recognised directly in Other Equity	-	(60.99)
<b>Closing balance</b>	<b>3,025.24</b>	<b>2,994.98</b>

**Movements in DTA:**

Particulars	Leave Encashment and Gratuity	Unused Tax losses	Depreciation Loss	Deferred Govt. Grant	Others	Total
At 1 <sup>st</sup> April, 2019	262.48	49.31	728.44	5.31	3.31	1,048.85
(Charged)/Credited:						
to Profit or Loss	(116.69)	(7.43)	167.88	(0.46)	56.58	99.88
to Other Comprehensive Income	25.88	-	-	-	-	25.88
directly to Equity	-	-	-	-	60.99	60.99
At 31 <sup>st</sup> March, 2020	171.67	41.88	896.32	4.85	120.88	1,235.60
(Charged)/Credited:						
to Profit or Loss	36.03	(0.74)	74.49	(0.46)	(52.49)	56.83
to Other Comprehensive Income	5.00	-	-	-	-	5.00
directly to Equity	-	-	-	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>212.70</b>	<b>41.14</b>	<b>970.81</b>	<b>4.39</b>	<b>68.39</b>	<b>1,297.43</b>

**Movements in DTL:**

Particulars	Assets : Impact of difference between carrying value and tax base of Depreciable assets	Impact of difference between carrying value and tax base of Investments in Mutual Funds	Total
At 1 <sup>st</sup> April, 2019	4,928.78	480.05	5,408.83
(Charged)/Credited:			
to Profit or Loss	(1,118.90)	(59.35)	(1,178.25)
to Other Comprehensive Income directly to Equity	-	-	-
At 31 <sup>st</sup> March, 2020	3,809.88	420.70	4,230.58
(Charged)/Credited:			
to Profit or Loss	18.43	73.66	92.09
to Other Comprehensive Income directly to Equity	-	-	-
<b>At 31<sup>st</sup> March, 2021</b>	<b>3,828.31</b>	<b>494.36</b>	<b>4,322.67</b>

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 22. OTHER NON-CURRENT LIABILITIES</b>			
	Deferred Govt. Grant (Capital Subsidy)	12.57	14.06
	<b>Total</b>	<b>12.57</b>	<b>14.06</b>

**Note - 23. BORROWINGS - CURRENT****Loans Repayable on Demand (Secured)**

(a)	From State Bank of India (Cera Sanitaryware Limited)		
	Cash Credit	1,242.99	1,516.33
(b)	From Federal Bank Ltd. (Anjani Tiles Limited)		
	Cash Credit / WCDL	1,782.45	2,559.19
(c)	From Union Bank of India (Race Polymer Arts LLP)		
	Cash Credit	-	23.78
(d)	From HDFC Bank Ltd. (Race Polymer Arts LLP)		
	Cash Credit	-	-
	<b>Total</b>	<b>3,025.44</b>	<b>4,099.30</b>

**Notes :**

**23.1** Cash Credit facilities from State Bank of India are secured by hypothecation of entire Current Assets, windmills at villages Kadoli and Kalyanpur and entire movable fixed assets of the Company. Further, collaterally secured by equitable mortgage of Leasehold land & Buildings, thereon situated at 9, GIDC Industrial Estate and Residential Colony, Kadi (Survey No. 417/2 & 420/1,2) for Cash Credit and e-VFS facilities.

**23.2** Cash Credit / WCDL from The Federal Bank Ltd. to Anjani Tiles Limited, referred in (b) above, are secured by hypothecation of entire inventories and trade receivables and collaterally secured by way of equitable mortgage of land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal, Nellore, Andhra Pradesh. Anjani Tiles Limited has not defaulted in payment of interest. The Company has availed moratorium benefit extended by the RBI for the period from March, 2020 to August, 2020.

**23.3** Cash Credit from Union Bank of India to Race Polymer Arts LLP has been transferred to HDFC Bank Limited on 13<sup>th</sup> January, 2021.

All securities mentioned in Note No. 18.3 are also extended for Cash Credit facilities availed from HDFC Bank Ltd.

**23.4 Terms of Cash Credit facilities from State Bank of India**

Rate of interest on various cash credit facilities is chargeable at 0.15% above 6 months MCLR (Present effective rate 7.10% p.a.) and rate of interest on export packing credit facility is chargeable at 0.55% above 6 months MCLR. (Present effective rate 7.50% p.a.)

Rate of interest on e-VFS facility is chargeable at 0.15% above EBR. (Present effective rate 6.80% p.a.)

**23.5 Terms of Cash Credit / WCDL from The Federal Bank Ltd.**

Rate of interest on Cash credit / WCDL facility is chargeable at 8.20% / 9.05% p.a.

**23.6 Terms of Loans from HDFC Bank Ltd.**

Rate of interest on cash credit facility is chargeable at 7.15% p.a. (Floating Rate)

(` in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Note - 24. TRADE PAYABLES - CURRENT</b>			
1	Total outstanding dues of micro enterprises and small enterprises*	2,846.86	2,892.84
2	Total outstanding dues of creditors other than micro enterprises and small enterprises*	12,689.03	6,638.57
	<b>Total</b>	<b>15,535.89</b>	<b>9,531.41</b>
	* Disclosure with respect to amount due to MSME is given in Note No. 44 and due to related parties is given in Note No.40		
<b>Note - 25. OTHER FINANCIAL LIABILITIES - CURRENT</b>			
1	Current maturity of Long Term Debt	1,081.67	750.34
2	Unpaid dividends*	107.52	120.63
3	Retention money payable	175.81	237.82
4	Others		
	(i) Employee related payable	3,047.51	2,534.83
	(ii) Expenses payable	10,508.71	11,790.35
	<b>Total</b>	<b>14,921.22</b>	<b>15,433.97</b>
	* Not due for deposit in the Investor Education and Protection Fund		
<b>Note - 26. OTHER CURRENT LIABILITIES</b>			
1	Payable towards Statutory dues	1,147.71	365.46
2	Contract Liability - Advances received from Customers*	1,391.22	1,365.87
3	Deferred Govt. Grant (Capital Subsidy)	1.49	1.49
	<b>Total</b>	<b>2,540.42</b>	<b>1,732.82</b>
	<b>* Contract Liability - Advances received from Customers</b>		
	Opening Balance of Contract Liability	1,365.87	1,225.67
	Add : Addition of Contract Liability - Advances received from Customers	1,391.22	1,365.87
	Less : Revenue recognised during the reporting period	1,365.87	1,225.67
	Closing Balance of Contract Liability	<b>1,391.22</b>	<b>1,365.87</b>
<b>Note - 27. CURRENT PROVISIONS</b>			
1	Provision for Leave Encashment	245.21	247.69
2	Provision for Bonus / Ex Gratia	3.25	3.79
3	Provision for Gratuity	0.02	4.11
	<b>Total</b>	<b>248.48</b>	<b>255.59</b>
<b>Note - 28. CURRENT TAX LIABILITIES (NET)</b>			
	Provision for tax (Net)	439.45	35.23
	<b>Total</b>	<b>439.45</b>	<b>35.23</b>



(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 29. REVENUE FROM OPERATIONS</b>		
<b>A Revenue from Contracts with Customers</b>		
(a) Sale of products (Building Products)	1,21,765.32	1,21,142.57
(b) Sale of services	44.34	45.27
	<u>1,21,809.66</u>	<u>1,21,187.84</u>
<b>B Other Operating Revenue</b>		
(a) Exports Incentives	27.96	136.16
(b) Insurance Claims Received	91.25	173.23
(c) Miscellaneous Operating Income	503.81	871.66
	<u>623.02</u>	<u>1,181.05</u>
<b>Total</b>	<u>1,22,432.68</u>	<u>1,22,368.89</u>

**Notes :****29.1 Disaggregation of Revenue**

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data:

(` in lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Product Type</b>		
Goods	1,21,765.32	1,21,142.57
After Sales Services	44.34	45.27
<b>Total</b>	<u>1,21,809.66</u>	<u>1,21,187.84</u>
<b>Contract Counterparties</b>		
Dealers	1,21,765.32	1,21,142.57
Direct to Consumers	44.34	45.27
<b>Total</b>	<u>1,21,809.66</u>	<u>1,21,187.84</u>
<b>Timing of Transfer of Goods and Services</b>		
Point in time	1,21,809.66	1,21,187.84
<b>Total</b>	<u>1,21,809.66</u>	<u>1,21,187.84</u>

**29.2** The expected credit loss recognised on receivables arising from the Group's contracts with customers is disclosed in Note No. 11.

**29.3** The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 26 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 26.1.

**29.4** No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 30. OTHER INCOME</b>		
<b>1 Interest Income from Financial Assets at Amortised Cost</b>		
(a) On Security Deposits	14.23	18.41
(b) Others	303.30	214.49
<b>2 Other Non-operating Income</b>		
(a) Profit on sale of Mutual Fund Units (Net)	63.99	135.92
(b) Net Gain on Fair Valuation of Investments	1,648.46	1,130.57
(c) Profit on Sale of Property, Plant and Equipment (Net)	30.16	-
(d) Net Gain on Foreign Currency Translation	-	5.98
(e) Items pertaining to Previous year, unspent liabilities & provisions no longer required written back (Net)	115.26	56.58
(f) Miscellaneous Income	14.89	19.70
(g) Sales Tax Incentive	222.39	233.31
(h) Interest Subsidy	69.99	5.58
(i) Deferred Income on Capital Subsidy	1.49	1.49
(j) Gain on Termination of Lease (Net)	32.03	-
<b>Total</b>	<u>2,516.19</u>	<u>1,822.03</u>

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 31. COST OF MATERIALS CONSUMED</b>		
Opening Stock	2,735.87	2,633.87
Add: Purchases (Net)	13,048.68	14,776.93
<b>Sub Total</b>	<b>15,784.55</b>	<b>17,410.80</b>
Less: Closing Stock	3,062.44	2,735.87
<b>Total</b>	<b>12,722.11</b>	<b>14,674.93</b>
<b>Note - 32. PURCHASES OF STOCK IN TRADE</b>		
Sanitaryware and other allied products	45,354.23	43,145.86
<b>Total</b>	<b>45,354.23</b>	<b>43,145.86</b>
<b>Note - 33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS</b>		
<b>Inventories at the end of the year:</b>		
Finished Goods	3,695.86	7,837.22
Work-in-progress	937.17	870.09
Stock-in-Trade	10,273.84	10,803.17
	<b>14,906.87</b>	<b>19,510.48</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	7,837.22	5,605.93
Work-in-progress	870.09	762.26
Stock-in-Trade	10,803.17	10,347.09
	<b>19,510.48</b>	<b>16,715.28</b>
<b>Changes in Inventories</b>	<b>4,603.61</b>	<b>(2,795.20)</b>
<b>Note - 34. EMPLOYEE BENEFITS EXPENSE</b>		
1 Salaries, Wages and Bonus	13,752.92	15,145.57
2 Contribution to Provident and other Funds	835.34	842.35
3 Staff and Labour Welfare Expenses	779.62	1,085.90
<b>Total</b>	<b>15,367.88</b>	<b>17,073.82</b>

**Note :**

**34.1** As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

**Defined Contribution Plan :**

The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

**Defined Benefit Plan :**

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

**Gratuity :** The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

**Plan Features**

Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years

**Leave Encashment** : The benefits are governed by the Company's Leave Policy.

**Key Features**

Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	$(1/30) \times (\text{Basic Salary}) \times (\text{Leave Days})$
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

**Risks associated to the Plan (Gratuity and Leave Encashment)**

A. Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B. Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C. Liquidity Risk	Risks on account of Employees resignation / retirement from the company, resulting into strain on the cashflow.
D. Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E. Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

**Key Assumptions considered (Gratuity and Leave Encashment)**

**Actuarial Assumptions**

A. Discount Rate	6.75% p.a.
B. Salary Growth Rate	5.75 % p.a.
C. Rate of Interest on Plan Assets	6.75% p.a.
D. Mortality	IALM 2012-14
E. Withdrawal Rate	6.00% p.a.

**Financial Assumptions**

A. Discount Rate	6.75% p.a.
B. Salary Growth Rate	5.75% p.a.

**Demographic Assumptions**

A. Withdrawal Rate	-
B. Mortality Rate	-

(` in lakhs)

Particulars	2020-21		2019-20	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	1,938.96	836.89	1,770.20	773.49
Current Service Cost	175.26	98.58	171.59	106.77
Interest Cost	130.88	56.49	119.49	52.21
Actuarial (Gain) / Losses recognised in Other Comprehensive Income	-	-	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumptions (Gain)	-	-	105.75	40.48
Due to Experience adjustments (Loss)	(43.48)	22.64	1.64	61.81
Benefits paid	(132.89)	(169.36)	(229.71)	(197.87)
Prior year Charge	-	-	-	-
Defined Benefit Obligation at year end	2,068.73	845.24	1,938.96	836.89

(` in lakhs)

Particulars	2020-21		2019-20	
	Gratuity (Funded)	Leave Encashment (Non-Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)
<b>Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of Plan Assets at beginning of the year	1,938.96	-	1,770.20	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on Plan Assets	130.88	-	119.49	-
Actuarial Gain / (Loss)	6.47	-	11.03	-
Employer Contribution	128.38	-	267.95	-
Benefits paid	(132.89)	-	(229.71)	-
Fair Value of Plan Assets at year end	2,071.80	-	1,938.96	-
Return on Plan Assets recognised in Other Comprehensive Income (Gain) / Loss	(49.95)	-	96.37	-
Actual return on Plan Assets	137.35	-	130.51	-
<b>Reconciliation of fair value of assets and obligations</b>				
Fair value of Plan Assets	2,071.80	-	1,938.96	-
Present value of Obligation	2,068.73	845.24	1,938.96	836.89
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	3.07	(845.24)	-	(836.89)
<b>Expense recognized during the year</b>				
Current Service Cost	175.26	98.58	171.59	106.77
Interest Cost	130.88	56.49	119.49	52.21
Expenses dedcuted from the fund	-	-	-	-
Expected return on plan Assets	(130.88)	-	(119.49)	-
Net Cost	175.26	155.07	171.59	158.98
<b>Investment Details</b>				
<b>Debt Instruments</b>				
Government of India Securities	37.04%	-	37.58%	-
High Quality Coporate Bonds	44.93%	-	44.57%	-
State Government Securities	2.75%	-	3.85%	-
<b>Cash and Cash Equivalents</b>				
Fixed Deposits	-	-	-	-
Bank Balances	-	-	-	-
Special Deposit Scheme	0.42%	-	0.48%	-
<b>Investment Funds</b>				
Insurance Policies	10.78%	-	11.22%	-
<b>Others</b>				
Mutual Funds	4.08%	-	2.30%	-

**Actuarial Assumptions**

	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Mortality Table				
Discount Rate	6.75%	6.75%	6.75%	6.75%
Expected Rate of Return	6.75%	-	6.75%	-
Rate of escalation in Salary	5.75%	5.75%	5.75%	5.75%

**Sensitivity Analysis**

Particulars	Changes in assumption	Increase in assumption		Decrease in assumption			
		Increase / Decrease by	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	Increase / Decrease by	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Impact On Defined Benefit Obligation (Gratuity)</b>							
Discount Rate	1%	Decrease by	8%	8%	Increase by	7%	7%
Salary Growth Rate	1%	Increase by	8%	8%	Decrease by	7%	7%
Withdrawal Rate	1%	Increase by	0%	0%	Decrease by	0%	0%
<b>Impact On Defined Benefit Obligation (Leave Encashment)</b>							
Discount Rate	1%	Decrease by	7%	7%	Increase by	6%	6%
Salary Growth Rate	1%	Increase by	7%	7%	Decrease by	6%	6%
Withdrawal Rate	1%	Increase by	0%	0%	Decrease by	1%	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**Funding arrangements and funding policy :**

Gratuity liability is funded whereas leave benefits liability is not funded. There are no minimum funding requirements for leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds, special deposit scheme, mutual funds etc., as per rules and regulations. Every year, the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

**Amounts for the current and previous years are as follows**

		(` in lakhs)	
Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	
<b>1 Gratuity (Funded)</b>			
Defined Benefit Obligation	2,068.73	1,938.96	
Plan Assets	2,071.80	1,938.96	
Surplus / (Deficit)	3.07	-	
Experience adjustments on Plan Liability (Gain)	(43.48)	1.64	
Experience adjustments on Plan Assets Gain	6.47	11.02	
<b>2 Leave Encashment (Non-Funded)</b>			
Defined Benefit Obligation	845.24	836.89	
Experience adjustments on Plan Liability (Gain)	22.64	61.81	

Company's estimate of Contributions expected to be paid during Financial Year 2021-22 is as under:

- (i) **Defined Contribution Plan :**
- (a) Employer's contribution to Provident Fund 12% of Basic Salary
- (ii) **Defined Investment Plan :**
- (a) Gratuity 195.98
- (b) Leave Encashment -

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

		(` in lakhs)	
Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020	
<b>Note - 35. FINANCE COSTS</b>			
1 Interest Costs			
(a) Interest on financial liabilities	873.27	949.34	
(b) For Income Tax	54.39	12.00	
2 Other Borrowing Costs	40.01	43.70	
3 Net Loss on Foreign Currency Translation (attributable to finance cost)	5.19	-	
<b>Total</b>	<b>972.86</b>	<b>1,005.04</b>	
<b>Note - 36. DEPRECIATION &amp; AMORTIZATION EXPENSE</b>			
1 Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	3,233.38	3,227.76	
2 Amortization of Other Intangible assets (Refer Note No. 5)	67.31	71.39	
3 Depreciation on Right-of-use Assets (Refer Note No. 45)	656.40	578.07	
<b>Total</b>	<b>3,957.09</b>	<b>3,877.22</b>	

(` in lakhs)

Sr. Particulars No.	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 37. OTHER EXPENSES</b>		
1 Stores, Spares, Chemicals and Packing Materials Consumed	2,804.63	3,309.41
2 Power and Fuel	3,757.64	5,842.82
3 Repairs and Maintenance		
- To Buildings	68.35	49.33
- To Plant and Equipment	314.94	314.91
- To Others	227.45	243.85
4 Auditors' Remuneration		
- As Audit Fees	11.50	11.00
- For Taxation matters	0.77	0.77
- For Other services	5.24	4.50
- For Reimbursement of expenses	0.39	0.61
5 Research & Development Expenses	123.42	166.36
6 Freight and Forwarding Expenses (Net)	7,677.98	6,902.29
7 Sales Promotion Expenses	5,922.91	5,679.04
8 Publicity & Advertisement Expenses	1,600.21	4,241.55
9 Bad Debts	16.00	1.44
10 Allowance for Expected Credit Loss - Trade Receivables	336.07	404.51
11 Allowance for Expected Credit Loss - Capital Advances	117.23	93.78
12 Rent Expenses	130.08	215.84
13 Insurance	1,323.42	1,446.06
14 Rates and Taxes	47.08	45.98
15 Loss on Sale of Property, Plant and Equipment (Net)	-	157.08
16 Directors' Commission	20.00	70.00
17 Directors' Sitting fees	2.50	2.70
18 Foreign Exchange Fluctuations (Net)	7.22	6.35
19 Donation	2.65	8.51
20 CSR Expenses	316.57	331.49
21 Amortization of Prepaid Rentals	13.40	18.36
22 Miscellaneous Expenses	3,731.47	4,153.23
<b>Total</b>	<b>28,579.12</b>	<b>33,721.77</b>
<b>Note - 38. CURRENT TAX</b>		
Current Tax (net of earlier year excess provision)	3,366.04	3,712.25
<b>Total</b>	<b>3,366.04</b>	<b>3,712.25</b>

**Reconciliation of Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.**

(` in lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Accounting Profit before Income Tax</b>	<b>13,391.97</b>	<b>13,487.48</b>
Add : Interest Expense on Income Tax (Refer Note No. 35)	54.39	12.00
<b>Accounting Profit before Income Tax</b>	<b>13,446.36</b>	<b>13,499.48</b>
<b>India's Statutory Income Tax</b>	<b>3,558.35</b>	<b>3,577.25</b>
Due to Income exempt from Taxation	(22.59)	(5.65)
Non-Deductible Expenses for Tax purposes	1,131.01	1,311.91
Deductible Expenses for Tax purposes	(1,425.52)	(2,193.45)
Income not chargeable for Tax purpose	(41.91)	(406.74)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	226.77	159.78
Others	(24.81)	(9.22)
<b>Income Tax expense reported in the Statement of Profit and Loss</b>	<b>3,401.30</b>	<b>2,433.88</b>

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Note - 39. EARNINGS PER SHARE</b>			
1	Net Profit attributable to the Equity Shareholders (₹ in lakhs) (A)	10,077.34	11,325.38
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	1,30,05,874	1,30,05,874
3	Nominal value of Equity Shares (₹)	5.00	5.00
4	Basic/Diluted Earnings per Share (₹) (A/B)	77.48	87.08

The Group does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Group remains the same.

**Note - 40. RELATED PARTY DISCLOSURES**

**40.1** Name of the Related Parties & Nature of the Related Party Relationship with whom transactions have taken place during the reported period.

**(A) Associate Entities :**

Sr.No.	Name	Nature	Ownership Interest held by the Company directly or indirectly	
			As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	Milo Tile LLP	Associate	26%	26%
2	Cera Sanitaryware Trading LLC	Associate	-	25%

Sr. No.	Name	Designation
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**(B) (i) Key Management Personnel of Parent Company :**

1	Shri Vikram Somany	Chairman and Managing Director
2	Smt. Deepshikha Khaitan	Joint Managing Director (w.e.f. 01.04.2020)
3	Shri Atul Sanghvi	Executive Director & CEO
4	Shri Ayush Bagla	Executive Director
5	Shri R. B. Shah	CFO & COO (Fin. & Comm.)
6	Shri N. N. Patel	President & Company Secretary (ceased w.e.f. 01.04.2020)
7	Shri Hemal Sadiwala	Company Secretary (w.e.f. 01.04.2020)
8	Shri Sajan Kumar Pasari	Non Executive Independent Director
9	Shri Lalit Kumar Bohania	Non Executive Independent Director
10	Shri Jugal Kishore Taparia	Non Executive Independent Director (ceased w.e.f. 06.02.2021)
11	Shri Surendra Singh Baid	Non Executive Independent Director
12	Ms. Akriti Jain	Non Executive Independent Director

**(ii) Key Management Personnel of Anjani Tiles Limited :**

1	Shri CVK Raju	Chief Executive Officer & Non Executive Director
2	Shri K. Nagabhushana Rao	Chief Financial Officer
3	Smt. Richa Bhamotra	Company Secretary (Upto 31.08.2020)
4	Shri Mohammad Hafiz Mansoor	Company Secretary (w.e.f. 01.09.2020)
5	Shri Atul Sanghvi	Non Executive Director
6	Shri R. B. Shah	Non Executive Director
7	Shri Abbey Vincent Rodrigues	Non Executive Director
8	Shri K Mohanraju	Non Executive Director
9	Shri Jugal Kishore Taparia	Independent Director (Ceased as Director w.e.f. 06.02.2021)
10	Shri Surendra Singh Baid	Additional Director (w.e.f. 06.02.2021)
11	Shri P S Ranganath	Independent Director

**(iii) Key Management Personnel of M/s Packcart Packaging LLP :**

1	Smt. Kinjal Bhatt	Designated Partner
2	Shri P. C. Surana (Nominee of Cera Sanitaryware Limited)	Designated Partner

**(iv) Key Management Personnel of M/s Race Polymer Arts LLP :**

1	Shri P. C. Surana (Nominee of Cera Sanitaryware Limited)	Designated Partner
2	Shri Ashish Sharadkumar Nemani (Nominee of Shreeyam Ceramics LLP)	Designated Partner

**(C) Other Related Parties:****(a) Relatives of Key Management Personnel of Parent company**

1	Smt. Smiti Somany
2	Smt. Pooja Jain Somany

**(b) Enterprises significantly influenced by Key Management Personnel and / or their relatives****Parent company**

1	Madhusudan Industries Limited
2	Cera Foundation
3	Indian Council of Sanitaryware Manufacturers

Sr. No.	Particulars
	<b>Anjani Tiles Limited</b>
1	Anjani Vishnu Holdings Limited
2	Hitech Print Systems Limited
3	Vennar Ceramics Limited
	<b>Packcart Packaging LLP</b>
1	Goodluck Carriers LLP
	<b>Race Polymer Arts LLP</b>
1	Goodluck Carriers LLP
2	Golf Ceramics Limited
3	Mandav Paper Packaging LLP
<b>(c) Post Employment Benefit Plans</b>	
	<b>Parent company</b>
1	Madhusudan Gratuity Fund

**40.2 Disclosures of Transactions during the year between the Group and Related Parties :** (₹ in lakhs)

Sr. No.	Nature of Transaction	Associate Parties		Key Management Personnel		Other Related Parties	
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Revenue from Operations	73.05	152.84	-	-	89.75	30.39
2	Purchase of Goods	1,139.01	1750.96	-	-	4.39	17.13
3	Investment in Shares	-	-	-	-	490.00	-
4	CSR Expenditure	-	-	-	-	-	331.49
5	Donation	-	-	-	-	2.65	8.51
6	Remuneration	-	-	1,317.09	1124.70	-	39.76
7	Consultancy Charges	-	-	12.21	13.20	-	-
8	Rent, Rates & Taxes	-	-	-	-	77.12	90.04
9	Other Service	-	-	22.50	72.70	21.33	29.44
10	Advances given	4.35	-	-	-	-	-
11	Contribution to Gratuity Fund	-	-	-	-	15.50	50.24
12	Share of Profit Paid	-	-	4.90	-	-	-
	<b>Grand Total</b>	<b>1,216.41</b>	<b>1,903.80</b>	<b>1,356.70</b>	<b>1,210.60</b>	<b>700.74</b>	<b>597.00</b>

**40.3 The details of amounts due to or due from related parties as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 :** (₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	Trade Receivables		
	(a) Associates		
	Cera Sanitaryware Trading LLC	-	108.54
	<b>Sub Total (a)</b>	<b>-</b>	<b>108.54</b>
	(b) Other Related Parties		
	Hitech Print Systems Limited	-	0.41
	Golf Ceramics Ltd.	14.97	29.20
	<b>Sub Total (b)</b>	<b>14.97</b>	<b>29.61</b>
	<b>Total Trade Receivables from Related Parties (a + b)</b>	<b>14.97</b>	<b>138.15</b>
2	Trade Payables		
	(a) Associates		
	Milo Tile LLP	158.57	214.63
	<b>Sub Total (a)</b>	<b>158.57</b>	<b>214.63</b>
	(b) Other Related Parties		
	Anjani Vishnu Holdings Limited	0.49	2.73
	Hitech Print Systems Limited	0.10	-
	Goodluck Carriers LLP	0.58	-
	Mandav Paper Packaging LLP	0.64	-
	<b>Sub Total (b)</b>	<b>1.81</b>	<b>2.73</b>
	<b>Total Trade Payables to Related Parties (a + b)</b>	<b>160.38</b>	<b>217.36</b>
3	Other Financial Assets & Advances		
	(a) Associates		
	Milo Tile LLP (Refer Note No.15(iv))	70.80	66.45
	<b>Sub Total (a)</b>	<b>70.80</b>	<b>66.45</b>
	(b) Other Related Parties		
	Madhusudan Industries Limited	20.29	20.29
	<b>Sub Total (b)</b>	<b>20.29</b>	<b>20.29</b>
	<b>Balances of advances given to Related Parties (a + b)</b>	<b>91.09</b>	<b>86.74</b>



**40.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:**

(` in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended	Year ended
			31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Investment in Shares	Anjani Vishnu Holdings Limited	490.00	-
2	CSR Expenses	Cera Foundation	-	331.49
3	Donation	Cera Foundation	2.65	8.51
4	Remuneration	Key Management Personnel	1,317.09	1,124.70
		Relatives to KMP	-	39.76
5	Rent, Rates & Taxes	Madhusudan Industries Limited	77.12	90.04
6	Other Services	Madhusudan Industries Limited	14.74	16.63
		Key Management Personnel	22.50	72.70
7	Advances given	Milo Tile LLP	4.35	-
8	Contribution to Gratuity fund	Madhusudan Gratuity Fund	15.50	50.24
9	Share of Profit Paid	Smt. Kinjal Bhatt	4.90	-
10	Consultancy charges	K Mohanraju	12.21	13.20

**40.5 Breakup of compensation paid to Key Management Personnel**

(` in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended	Year ended
			31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	Short-Term Employee Benefits	Shri Vikram Somany	530.52	534.47
		Smt. Deepshikha Khaitan	230.87	-
		Shri Atul Sanghvi	248.77	237.47
		Shri Ayush Bagla	135.95	124.68
		Shri R. B. Shah	100.01	108.64
		Shri N. N. Patel (Upto 31.03.2020)	-	60.58
		Shri Hemal Sadiwala	16.17	-
		Shri C V K Raju	45.51	49.20
		Shri K Nagabhushana Rao	7.18	7.56
		Ms. Richa Bhamotra (Upto 31.08.2020)	0.88	2.10
		Shri Mohammad Hafiz Mansoor (w.e.f. 01.09.2020)	1.23	-
	Commission	Smt. Deepshikha Khaitan	-	50.00
		Shri Sajan Kumar Pasari	4.00	4.00
		Shri Lalit Kumar Bohania	4.00	4.00
		Shri Jugal Kishore Taparia	4.00	4.00
		Shri Surendra Singh Baid	4.00	4.00
		Ms. Akriti Jain	4.00	4.00
	Sitting Fees	Smt. Deepshikha Khaitan	-	0.50
		Shri Sajan Kumar Pasari	0.50	0.40
		Shri Lalit Kumar Bohania	0.50	0.40
		Shri Jugal Kishore Taparia	0.50	0.50
		Shri Surendra Singh Baid	0.50	0.50
		Ms. Akriti Jain	0.50	0.40
2	Post-Employment Benefits		-	-
3	Other Long-term Benefits		-	-
4	Termination Benefits		-	-
	<b>Total</b>		<b>1,339.59</b>	<b>1,197.40</b>

**40.6** Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31<sup>st</sup> March, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31<sup>st</sup> March, 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note – 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****Overview:**

The Group's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Group's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Group to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Group's principal financial liabilities comprise of trade and other payables. The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimize the potential adverse effects of financial market on the Group's performance are outlined hereunder:

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management is carried out by the management in consultation with the Board of Directors and the Risk Management Committee. They provide principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

**(A) Credit Risk:**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Group establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables, advances and investments.

**(i) Trade Receivables:**

The Group extends credits to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdictions and industries and operate in large independent markets. The Group also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods up to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Group generally does not hold any collateral or other credit enhancements over any of its trade receivables excepting a small amount in the nature of security deposits from dealers, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

**Expected Credit Loss (ECL):**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)	
0-3 months		Nil
3-6 months		Nil
6-12 months		Nil
Beyond 12 months		10 to 25
		(` in lakhs)
Period	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Ageing of past due but not impaired receivables:</b>		
0-3 months	16,841.47	14,896.58
3-6 months	795.17	1,942.42
6-12 months	281.60	1,667.65
Beyond 12 months	3,973.99	4,388.70
<b>Ageing of impaired trade receivables:</b>		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Beyond 12 months	945.53	610.55

**(ii) Cash and cash equivalents and short-term investments:**

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Group does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets / (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

(` in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets</b>					
Trade receivables	11	20,946.70	-	-	20,946.70
Others	7, 14	2,657.71	1,412.22	-	4,069.93
Current investments	10	43,404.61	-	-	43,404.61
Cash and cash equivalents	12	767.33	-	-	767.33
Other bank balances	13	273.70	-	-	273.70
<b>Total</b>		<b>68,050.05</b>	<b>1,412.22</b>	<b>-</b>	<b>69,462.27</b>
<b>Financial Liabilities</b>					
Borrowings - Non-Current	18	-	4,261.51	-	4,261.51
Borrowings - Current	23	3,025.44	-	-	3,025.44
Current payables	24, 25	30,457.11	-	-	30,457.11
Non-current payables	19	-	2,749.94	-	2,749.94
<b>Total</b>		<b>33,482.55</b>	<b>7,011.45</b>	<b>-</b>	<b>40,494.00</b>

Particulars	Note No.	As at 31 <sup>st</sup> March, 2020			Total
		Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets</b>					
Trade receivables	11	22,284.80	-	-	22,284.80
Others	7, 14	2,272.96	1,354.77	-	3,627.73
Current investments	10	18,948.65	-	-	18,948.65
Cash and cash equivalents	12	83.30	-	-	83.30
Other bank balances	13	131.05	-	-	131.05
<b>Total</b>		<b>43,720.76</b>	<b>1,354.77</b>	<b>-</b>	<b>45,075.53</b>
<b>Financial Liabilities</b>					
Borrowings - Non-Current	18	-	4,344.50	-	4,344.50
Borrowings - Current	23	4,099.30	-	-	4,099.30
Current payables	24, 25	24,965.38	-	-	24,965.38
Non-current payables	19	-	2,618.84	-	2,618.84
<b>Total</b>		<b>29,064.68</b>	<b>6,963.34</b>	<b>-</b>	<b>36,028.02</b>

**(C) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest risk and other price risk such as commodity risk.

**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Group does not enter into financial instrument transactions for trading or speculative purpose.

The Group transacts business primarily in Indian Rupees, USD, Euro and GBP. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	(in lakhs)	
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March, 2020
Trade receivables	USD	4.53	4.06
Trade payables	USD	1.42	0.10
	EUR	-	0.57
	NPR	2.02	1.93
	AED	0.25	-
Advance to suppliers	USD	0.97	1.40
	EUR	0.17	0.37
Advance from customers	USD	1.60	0.79
Balance in EEFC account	USD	1.75	1.25

Currency Rate	(in `)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
USD	73.1670	75.3700
EUR	85.8293	83.1000
AED	19.9229	20.5368
NPR	0.6250	0.6250

Of the above foreign currency exposures, following exposures are not hedged: (in lakhs)

Particulars	Currency	(in lakhs)	
		As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Trade receivables	USD	4.53	4.06
Trade payables	USD	1.42	0.10
	EUR	-	0.57
	NPR	2.02	1.93
	AED	0.25	-
Advance to suppliers	USD	0.97	1.40
	EUR	0.17	0.37
Advance from customers	USD	1.60	0.79
Balance in EEFC account	USD	1.75	1.25

**Sensitivity Analysis:**

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in currency exchange rate	(in lakhs)	
		Effect on Profit before tax 31 <sup>st</sup> March, 2021	Effect on Profit before tax 31 <sup>st</sup> March, 2020
USD	5%	15.46	21.93
	-5%	(15.46)	(21.93)
EUR	5%	0.73	(0.83)
	-5%	(0.73)	0.83
NPR	5%	(0.06)	(0.06)
	-5%	0.06	0.06
AED	5%	(0.25)	-
	-5%	0.25	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

**(ii) Interest Rate Risk:**

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below:

(` in lakhs)			
Particulars	Change in interest rate	Effect on Profit before tax 31 <sup>st</sup> March, 2021	Effect on Profit before tax 31 <sup>st</sup> March, 2020
Non-current & Current Borrowings	0.50%	<b>(31.46)</b>	(35.59)
	-0.50%	<b>31.46</b>	35.59

**(iii) Commodity Risk:**

The Group is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Group has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Group enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

**Probable impact of COVID-19 pandemic – Force Majeure:**

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The operations of the Group were impacted due to nationwide lockdown imposed by the Government of India from 25<sup>th</sup> March, 2020 and continued up to 18<sup>th</sup> May, 2020. The management has considered the impact of COVID-19 on its profitability, liquidity, supply chain, receivables, inventories, other financial assets and investments.

Even after the on-going second wave of COVID-19 and the expected third wave, your Group believes that the recovery of economy in general and housing construction in particular will be better. Based on the internal and external sources of information including credit reports and related information and economic forecasts, the management believes that the impact is likely to be short term in nature and there does not seem to be any medium to long term risks in the Group's ability to recover the carrying amount of these assets in near future.

**Capital Management:**

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note No. 18, 23 and 25, cash and cash equivalents and current investments and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Group. The Group is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarizes the capital of the Group:

(` in lakhs)		
Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity</b>	<b>87,173.77</b>	77,074.20
Current borrowings (Note No. 23)	<b>3,025.44</b>	4,099.30
Non-current borrowings (Note No. 18)	<b>4,261.51</b>	4,344.50
Current maturities of non-current borrowings (Note No. 25)	<b>1081.67</b>	750.34
<b>Total Debt</b>	<b>8,368.62</b>	9,194.14
<b>Gearing Ratio</b>		
Debt to Equity	<b>9.60%</b>	11.93%

**Note - 42. FINANCIAL INSTRUMENTS**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's Financial Instruments.

(` in lakhs)

Particulars	Carrying value		Fair value		Fair value measurement using
	As at	As at	As at	As at	
	31 <sup>st</sup> March, 21	31 <sup>st</sup> March, 20	31 <sup>st</sup> March, 21	31 <sup>st</sup> March, 20	
<b>Financial Assets</b>					
<b>Financial assets measured at fair value</b>					
<b>Current</b>					
Investments	43,404.61	18,948.65	43,404.61	18,948.65	Level 1
<b>Financial assets measured at amortized cost</b>					
<b>Non-Current</b>					
Investments in Associates	821.80	817.04	821.80	817.04	Level 3
Other Investments	3,199.73	3,063.15	3,199.73	3,063.15	Level 3
Bank FDs with more than 12 months maturity	605.50	707.60	605.50	707.60	Level 3
Margin Money Deposits held as security against Borrowings with more than 12 months maturity	519.20	323.51	519.20	323.51	Level 3
Security Deposit	287.52	323.66	287.52	323.66	Level 3
<b>Current</b>					
Security Deposit	183.65	202.98	183.65	202.98	Level 3
Trade receivables	20,946.70	22,284.80	20,051.20	21,742.50	Level 3
Cash and cash equivalents	767.33	83.30	767.33	83.30	Level 3
Other Balances with Banks	273.70	131.05	273.70	131.05	Level 3
Insurance claims receivable	99.20	75.35	99.20	75.35	Level 3
Advances	59.63	44.44	59.63	44.44	Level 3
Interest accrued and receivable	104.96	50.53	104.96	50.53	Level 3
Incentive / Grants receivable from Government (Power & VAT/CST/SGST/Interest Subsidy)	2,210.27	1,899.66	2,210.27	1,899.66	Level 3
<b>Total</b>	<b>73,483.80</b>	<b>48,955.72</b>	<b>72,588.30</b>	<b>48,413.42</b>	
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
<b>Non-Current</b>					
Borrowings	4,261.51	4,344.50	4,261.51	4,344.50	Level 3
Lease liabilities	1,095.44	1,405.26	1,095.44	1,405.26	Level 3
Deposits by Dealers	2,727.71	2,596.61	2,727.71	2,596.61	Level 3
Other financial liabilities	22.23	22.23	22.23	22.23	Level 3
<b>Current</b>					
Borrowings	3,025.44	4,099.30	3,025.44	4,099.30	Level 3
Trade payables	15,535.89	9,531.41	15,535.89	9,531.41	Level 3
Lease liabilities	538.79	562.28	538.79	562.28	Level 3
Current maturities of long term debt	1,081.67	750.34	1,081.67	750.34	Level 3
Unpaid dividends	107.52	120.63	107.52	120.63	Level 3
Retention money payable	175.81	237.82	175.81	237.82	Level 3
Employee related payables	3,047.51	2,534.83	3,047.51	2,534.83	Level 3
Expenses payables	10,508.70	11,790.35	10,508.70	11,790.35	Level 3
<b>Total</b>	<b>42,128.22</b>	<b>37,995.56</b>	<b>42,128.22</b>	<b>37,995.56</b>	

**Notes:**

**42.1** All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There have been no transfers between Level 2 and Level 3 during the period.

**42.2** The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**42.3** The Group determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

**42.4** The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

**42.5** The following methods and assumptions were used to estimate the fair values:

- The fair value of the Group's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

#### Note - 43. MOVEMENT IN PROVISIONS

Disclosure of Movement in Provisions during the year as per Ind AS- 37, Provisions, Contingent Liabilities and Contingent Assets :

(` in lakhs)

Particulars	Balance as on 1 <sup>st</sup> April, 2020	Provided/ Transferred during the year	Paid/Adjusted during the year	Balance as on 31 <sup>st</sup> March, 2021
<b>Non-current Provisions</b>				
For Accumulated leaves	606.20	19.56	9.39	<b>616.37</b>
For Gratuity	16.70	1.03	11.53	<b>6.20</b>
Income Tax of earlier years	441.89	-	39.15	<b>402.74</b>
<b>Total</b>	<b>1,064.79</b>	<b>20.59</b>	<b>60.07</b>	<b>1,025.31</b>
<b>Current Provisions</b>				
For Accumulated leaves	247.69	173.21	175.69	<b>245.21</b>
For Gratuity	4.11	0.01	4.10	<b>0.02</b>
For Bonus / Exgratia	3.79	3.46	4.00	<b>3.25</b>
<b>Total</b>	<b>255.59</b>	<b>176.68</b>	<b>183.79</b>	<b>248.48</b>
<b>Grand total</b>	<b>1,320.38</b>	<b>197.27</b>	<b>243.86</b>	<b>1,273.79</b>

#### Note - 44. DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES

The dues of Micro Enterprises and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

(` in Lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
(i) Principal amount due to micro enterprises and small enterprises	<b>2,846.86</b>	2,829.84
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006".	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

#### Note - 45. COMMITMENTS AND CONTINGENCIES

##### (a) Leases

Ind AS 116 Leases replaced the earlier lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning 1<sup>st</sup> April, 2019 and applied the Standard to its leases, using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1<sup>st</sup> April, 2019). Changes in Lease payments during the reporting period, on account of rent concession due to COVID-19 pandemic is considered as Lease modification in F.Y. 2020-21.

(i) Changes in the carrying value of right-of-use assets. (₹ in lakhs)

Particulars	Category of Right-of-use asset	
	Land	Buildings
Balance as at 1 <sup>st</sup> April, 2019	-	2,328.36
Reclassification on adoption of Ind AS 116	9.84	-
Depreciation	(0.59)	(577.49)
Balance as at 31 <sup>st</sup> March, 2020	9.25	1,750.87
Additions during the year	-	457.44
Terminations during the year	-	(149.57)
Depreciation	(0.59)	(655.81)
Remeasurement of lease liability due to lease modifications	-	(34.02)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>8.66</b>	<b>1,368.91</b>

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss. (Refer Note No. 36)

(ii) Movement in Lease Liabilities : (₹ in lakhs)

Particulars	Buildings	
	2020-21	2019-20
<b>Opening Balance</b>	<b>1,967.54</b>	2,506.23
Finance cost accrued during the year	181.62	210.05
Additions during the year	457.44	-
Terminations during the year	(181.63)	-
Payment of lease liabilities	(756.72)	(748.74)
Remeasurement of lease liability due to Lease modifications	(34.02)	-
<b>Closing Balance</b>	<b>1,634.23</b>	1,967.54

(iii) Break-up of current and non-current lease liabilities : (₹ in lakhs)

Particulars	Buildings	
	2020-21	2019-20
Non-current lease liabilities	1,095.44	1,405.26
Current lease liabilities	538.79	562.28
<b>Total</b>	<b>1,634.23</b>	1,967.54

(iv) Contractual maturities of lease liabilities on discounted basis : (₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Not later than one year	538.79	562.28
Later than one year but not later than five years	959.74	1,160.11
Later than five years	135.70	245.15
<b>Total</b>	<b>1,634.23</b>	1,967.54

(₹ in lakhs)

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
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<b>(b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	202.36	787.31
<b>(c) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts (Net of Payments)	70.99	286.37
Dividend on 1% Cumulative Preference Shares	41.54	20.77
Letters of Credit (Foreign & Inland) opened and guarantees given (Net)	4,160.57	4,028.86



**Note - 46. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:****For Associates**

(₹ in lakhs)

Particulars	Milo Tile LLP		Cera Sanitaryware Ltd FZC		Cera Sanitaryware Trading LLC	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	<b>Investments</b>					
At the beginning of the year	806.00	806.00	-	2.20	32.10	32.10
Addition during the year	-	-	-	-	-	-
Impairment of Investment	-	-	-	(2.20)	(32.10)	-
<b>At the end of the year</b>	<b>806.00</b>	<b>806.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.10</b>
<b>Loans &amp; advances*</b>						
At the beginning of the year	66.45	66.45	-	-	-	-
Addition during the year	4.35	-	-	-	-	-
Recovered during the year	-	-	-	-	-	-
<b>At the end of the year</b>	<b>70.80</b>	<b>66.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The Parent Company has given advances for purchases and others.

**Note - 47. DIVIDENDS PAID AND PROPOSED**

(₹ in lakhs)

Sr. No.	Particulars	Year ended	Year ended
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Dividend on Equity Shares</b>			
<b>(a) Declared and paid during the year :</b>			
	Final dividend for F.Y. 2019-20: ₹ Nil per share (F.Y. 2018-19: ₹ 13/- per share)	-	1,690.76
	Dividend Distribution Tax paid	-	347.54
	Interim dividend for F.Y. 2020-21: ₹ Nil per share (F.Y. 2019-20: ₹ 13/- per share)	-	1690.76
	Dividend Distribution Tax paid on Interim dividend	-	347.54
<b>(b) Proposed for approval at the ensuing annual general meeting (not recognised as a liability) :</b>			
	Final dividend for F.Y. 2020-21: ₹ 13/- per share (F.Y. 2019-20: ₹ Nil per share)	1,690.76	-

**Note - 48. RESEARCH AND DEVELOPMENT EXPENDITURE**

Research and Development expenditure incurred is set out below:

(₹ in lakhs)

Sr. No.	Particulars	2020-21	2019-20
1	Capital expenditure	1.72	-
2	Revenue expenditure	123.42	166.36

**Note - 49. OPERATING SEGMENTS**

The Parent Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segment as required under Ind AS 108 "Operating Segment".

The Revenue from transactions with the single external customer amounting to 10% or more of the Group's Revenue is NIL.

**Note - 50.**

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

**NOTE - 51. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III TO COMPANIES ACT, 2013 AS AT 31<sup>ST</sup> MARCH, 2021**

( ` in Lakhs)

Name of the entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets		As % of Consolidated Profit or Loss		As % of Consolidated Other Comprehensive Income		As % of Consolidated Total Comprehensive Income	
<b>Parent</b>								
Cera Sanitaryware Limited	100.31%	87,439.92	100.53%	10,130.33	95.96%	20.44	100.52%	10,150.77
<b>Subsidiaries</b>								
<b>Indian</b>								
Packcart Packaging LLP	0.24%	209.14	0.43%	43.65	4.88%	1.04	0.44%	44.69
Distribution of Profit (Packcart Packaging LLP)	-	-	-0.05%	(5.10)	-	-	-0.05%	(5.10)
Anjani Tiles Limited	1.29%	1,120.51	-4.69%	(472.94)	3.05%	0.65	-4.68%	(472.29)
Race Polymer Arts LLP	1.19%	1,040.55	2.60%	262.13	-	-	2.60%	262.13
<b>Sub Total</b>	<b>2.72%</b>	<b>2,370.20</b>	<b>-1.71%</b>	<b>(172.26)</b>	<b>7.93%</b>	<b>1.69</b>	<b>-1.69%</b>	<b>(170.57)</b>
<b>Associates (Investment as per Equity method)</b>								
<b>Indian</b>								
Milo Tile LLP	-	-	0.05%	4.76	-	-	0.05%	4.76
<b>Foreign</b>								
Cera Sanitaryware Trading LLC	-	-	0.32%	32.10	-	-	0.32%	32.10
Cera Sanitaryware Limited FZC	-	-	0.00%	0.50	-	-	0.00%	0.50
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>0.37%</b>	<b>37.36</b>	<b>-</b>	<b>-</b>	<b>0.37%</b>	<b>37.36</b>
<b>Total</b>	<b>103.03%</b>	<b>89,810.12</b>	<b>99.19%</b>	<b>9,995.43</b>	<b>103.89%</b>	<b>22.13</b>	<b>99.20%</b>	<b>10,017.56</b>
Non-Controlling Interests in Subsidiaries	1.34%	1,171.90	0.81%	81.91	-3.89%	(0.83)	0.80%	81.08
Adjustments arising out of consolidation	-4.37%	(3,808.25)	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>87,173.77</b>	<b>100.00%</b>	<b>10,077.34</b>	<b>100.00%</b>	<b>21.30</b>	<b>100.00%</b>	<b>10,098.64</b>

**Note - 52.**

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached

For **N.M.Nagri & Co.**

Chartered Accountants  
(Firm Registration No.: 106792W)

**N.M.Nagri**

Proprietor

Membership No. 016992

Place : Ahmedabad

Date : 10<sup>th</sup> June, 2021

**Rajesh B. Shah**

CFO & COO

(Fin. & Comm.)

Mem. No. ACA 040113

**Hemal Sadiwala**

Company Secretary

Mem. No. ACS 20741

**Vikram Somany**

**Deepshikha Khaitan**

**Sajan Kumar Pasari**

**Lalit Kumar Bohania**

**Surendra Singh Baid**

**Akriti Jain**

**Ayush Bagla**

**Atul Sanghvi**

(DIN:00048827)

(DIN:03365068)

(DIN:00370738)

(DIN:00235869)

(DIN:02736988)

(DIN:08259413)

(DIN:01211591)

(DIN:00045903)

Chairman and Managing Director

Joint Managing Director

Director

Director

Director

Director

Executive Director

Executive Director & CEO



# IDEAS THAT ARE EFFECTIVE AND CREATIVE.



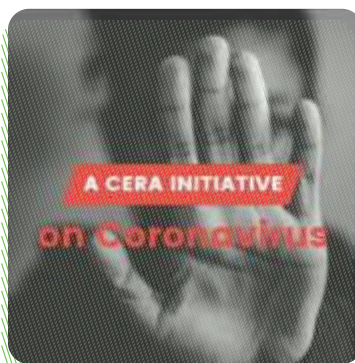
Kuch Pal Ghar Ke Naam TVC ▶



## Outdoor initiatives ▼



## Digital ideas ▼



# CERA

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CIN: L26910GJ1998PLC034400