

25th July, 2020

The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001
Scrip Code: 531548

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051
Symbol: SOMANYCERA

Sub: Submission of Annual Report and Notice of 52nd Annual General Meeting of the Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith the Annual Report and Notice convening the 52nd Annual General Meeting of the Company to be held on Tuesday, the 18th August, 2020 at 12 Noon (IST) through Video Conferencing or Other Audio Visual Means.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For Somany Ceramics Limited



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

Encl: as above





**Countering
the Slowdown**

Forward-looking Statement

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks/uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input costs and/or its availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

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Countering the Slowdown

The world is passing through an unprecedented slowdown.

Rather than wait for realities to recover, Somany Ceramics embarked on a number of initiatives to protect its Balance Sheet and strengthen its competitiveness.

The Company is optimistic to remain among the last persons standing during the decline and among the first to recover when consumer sentiment revives.



Somany Ceramics Limited.

One of the most exciting tile and bathware brands in India today.

Selling a larger proportion of value-added tiles than ever.

All because the Company's products are recalled around one word.

A word called 'Premium'.

Ethos

Vision: Becoming the most sought-after tile and allied products manufacturer in India and be the best employer in the tile industry.

Mission: Achieving customer delight through business innovation and cost-effectiveness while pursuing latest fashion trends in ceramics and allied products for creating stakeholder value.

Pedigree

Somany embarked on its journey in 1971, spearheaded by the late Shri H. L. Somany. Over the last 5 decades, the Company has emerged as a leader in the Indian ceramic industry on the back of its ability to evolve with changing décor aesthetics and trends.

Manufacturing plants

The Company's 11 state-of-the-art manufacturing units across the entire country possess an installed capacity of ~53 million square metres (msm) of tiles, 1.15 million pieces of sanitaryware per annum and 0.65 million pieces of bath fittings per annum.

Products

The Company has a diversified product portfolio ranging from ceramic wall and floor tiles, polished vitrified tiles and glazed vitrified tiles

to sanitaryware and bath fittings. The Company possesses the largest design archive of tiles in the country.

Employees

The Company was empowered by a strong workforce of 2,032 permanent employees and 916 contractual employees as on March 31, 2020.

Brand

The Company has following brands to market tile and bathware products:

- Somany Duragress • Somany Durastone
- Somany Glostra • Somany Vistoso • Somany Vitro • Somany Slipshield • Somany VC Shield
- Somany Signature • Somany French Collection

Network

The Company has a robust distribution network of more than 8,000 touch-points which comprises ~2,000 active dealers, ~6,000 sub-dealers and 328 showrooms/ display centres. This makes it possible for the Company's products to be marketed across the country and in a significant part of the world.

Listing

Somany Ceramics is listed on BSE Limited and National Stock Exchange of India Limited.

	Company	Stake	Unit	Annual capacity (in million sq metres)
Tiles	Subsidiary/associates	100%	Kassar, Haryana	19.63
		100%	Kadi, Gujarat	6.65
		60%	Sudha Somany Ceramics Pvt. Ltd.	3.48
		51%	Amora Tiles Pvt. Ltd.	4.58
		51%	Somany Fine Vitrified Pvt. Ltd.	4.29
		51%	Amora Ceramics Pvt. Ltd.	3.30
		50%	Vintage Tiles Pvt. Ltd.	4.80
		26%	Acer Granito Pvt. Ltd.	3.30
		26%	Vicon Ceramic Pvt. Ltd.	2.64
			Outsourced capacity	
Bathware	Subsidiary	51%	Somany Sanitaryware Pvt. Ltd.	1.15 mn pcs
		51%	Somany Bath Fittings Pvt. Ltd.	0.65 mn pcs

Milestones that shaped Somany Ceramics Limited

➤ Inception by Late Shri Hira Lall Somany.

1968

➤ Technical collaboration with Pilkington's Tile Holdings, UK; First unit at Kassar, Haryana started commercial production with a capacity of 0.52 msm.

1971

➤ Set up second unit in Kadi, Gujarat

1981

➤ Indian promoters bought over all the equity shares held by Pilkington.

1994

1996

➤ Received Government recognition for R&D facility - a first in the Indian tile industry.

2000

➤ Received Export House award.

2007

➤ Changed the name of the Company to Somany Ceramics Ltd.; Ventured into sanitaryware space

2009

➤ Received patent for its product – VC shield, India's highest abrasion-resistant tiles – a first in Indian tile industry.

➤ Commissioned first GVT manufacturing facility; Widened the Bathware vertical by adding bath-fitting products.



➤ Re-branded the Company with a changed logo; Received prestigious Power Brand award for its perception, performance and brand recall.



➤ Received the Indian Power Brands Award second time in a row; Launched Digital tiles.



➤ Secured sanitaryware manufacturing facility; Received Corporate Technical Achievement Award form American Ceramic Society (ACerS) for VC Shield.



➤ Launched TVC campaign to reinforce brand visibility across digital, radio and print media.



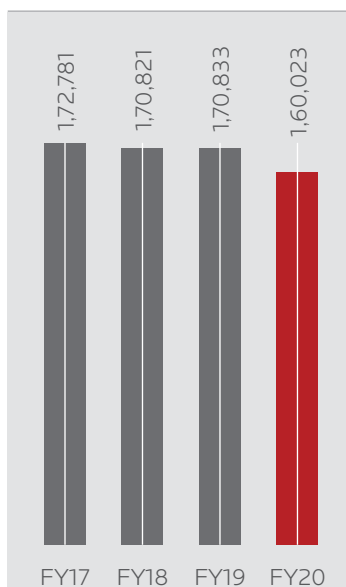
➤ Secured bath-fitting manufacturing facility.



➤ Commissioned first manufacturing facility in South India; Endorsed 'Salman Khan' as brand ambassador.

Performance of the last four years

Sales (₹ Lakhs)



Definition

Sales figure net of taxes.

Why is this measured?

It highlights the brand's acceptance and reach of the company.

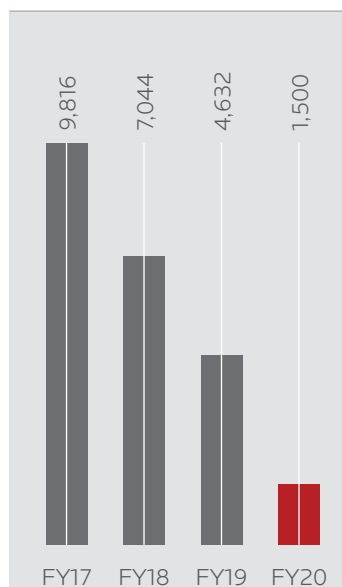
Performance

The Company maintained steady growth until the onset of COVID-19, which resulted in a revenue decline of 6.3%.

Value impact

Creates a robust growth engine on which to build profits.

Profit after tax (₹ Lakhs)



Definition

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

Why is this measured?

It highlights the strength in the business model in generating value for shareholders.

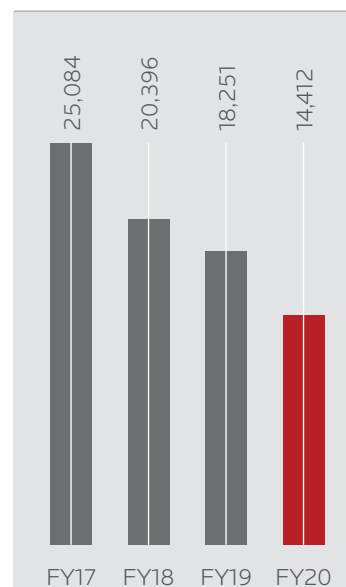
Performance

The Company reported a profit after tax of ₹1,500 Lakhs during the year under review.

Value impact

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

EBIDTA (₹ Lakhs)



Definition

Earnings before the deduction of interest, depreciation, extraordinary items and tax

Why is this measured?

It is an index that showcases the Company's ability to optimise operating costs despite inflationary pressures.

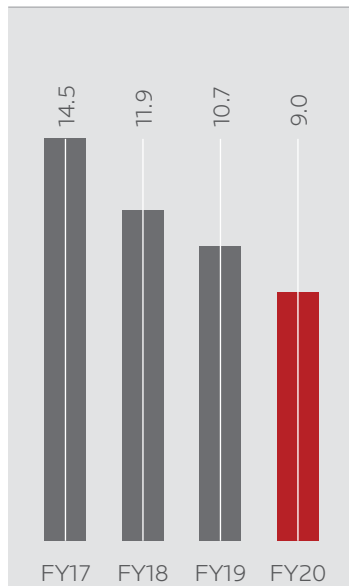
Performance

The Company's EBIDTA in 2019-20 declined by 26.6% to ₹14,412 Lakhs primarily on account of a lower scale of operations.

Value impact

Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

EBIDTA margin (%)



Definition

EBIDTA margin is a profitability measure a company's operating efficiency

Why is this measured?

The EBIDTA margin provides an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sale

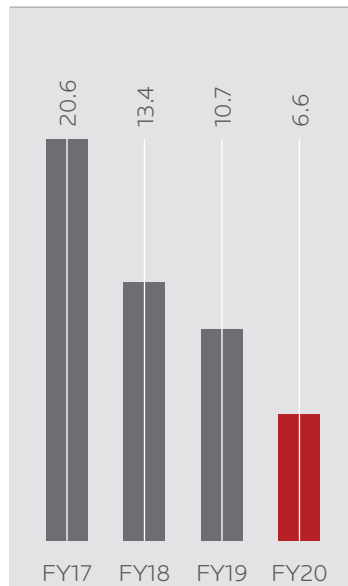
Performance

The Company reported an EBIDTA margin decline to 9.0% in 2019-20 compared to 10.7% in 2018-19 on account of the adverse impact of COVID-19.

Value impact

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances profitability.

ROCE (%)



Definition

It is a financial measure of a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use.

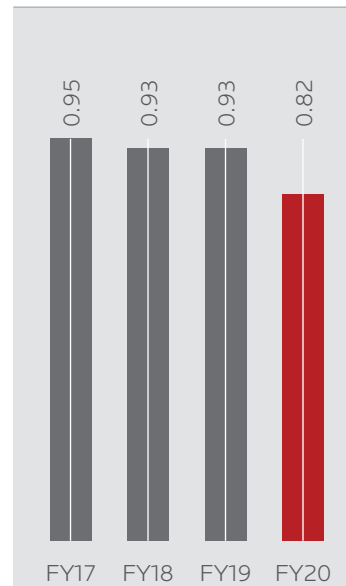
Performance

The return on capital employed of the Company declined by 539 bps during the year under review to 6.6% mainly due to lower profitability.

Value impact

Enhanced ROCE can potentially drive valuations and perceptions.

Debt equity ratio (x)



Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why is this measured?

It is a measure of company's financial health, which indicates the financial leverage of the company compared to shareholders' funds

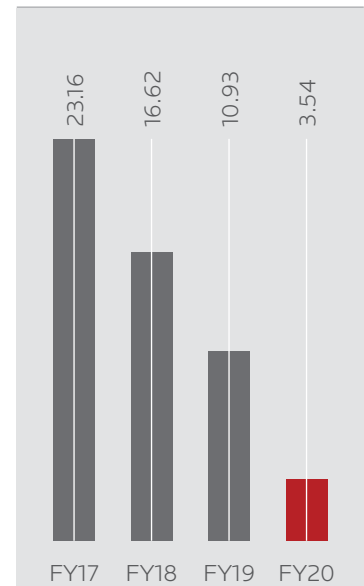
Performance

The Company's gearing stood at 0.82x in 2019-20 compared to 0.93x in 2018-19.

Value impact

Increases shareholder value by moderating debt compared with net worth.

Earnings per share* (₹)



Definition

It is the portion of a company's profit allocated to each outstanding share of common stock.

Why is this measured?

This figure depicts the actual value the company has created for its shareholders.

Performance

The Company's EPS for 2019-20 declined to ₹3.54 from ₹10.93 in the previous fiscal.

Value impact

Adds value in the hands of shareholders through earnings per share

* Face Value of ₹2/- per share

Chairman's overview

The big question that every business analyst seeks to ask is 'How will your Company survive the pandemic-induced slowdown?'



SHREEKANT SOMANY, CHAIRMAN

Overview

Instead of the conventional approach of providing you with an overview of our business, drawn from how we performed in the last financial year, I am taking a break to explain how we expect to counter the effects of the extended lockdown in the wake of the COVID-19 pandemic.

At the outset, permit me to state a few points upfront. I am a business person and not a scientist, so it will be difficult for me to estimate when the lockdown will end. I am not an economist so I may have a limited perspective on when consumer sentiment will revive following the lifting of the lockdown. Thirdly, I am not a psychologist who studies demographic patterns so it would be early in the day to estimate the nature of demand when consumer sentiment revives.

Increased sectoral visibility

However, one is getting enhanced visibility of a few realities that I must share with you.

One, consumer sentiment will be defensive; even if the lockdown lifts, the consumers will seek to spend differently from the way they did in the past.

Two, there will be a greater price-sensitivity than we have seen in the past. This does not mean that the consumer will look for other lower-priced products; it only means that the consumer will seek the best price-value proposition.

Three, the lockdown brought into focus an asset class that most people had largely overlooked in the past – the home one lived in. The extended lockdown and the corresponding ‘work from home’ implication – almost positioned as a trend of the future – means that perhaps one room of the home could now be allocated to the home office.

Four, if more people select to work from home and, in doing so, seek to invest in larger homes, there is every possibility that they will invest in superior interiors; the need for looking good (as championed by the social media across the last decade) could extend to a deeper home pride because that would be immediately visible across video calls. As an extension of this reality, this deeper home pride will comprise the need to invest in a better quality of fittings, fixtures and flooring.

Five, the Government recognises that demand revival will always be critical across the foreseeable future. In this regard, there will always be a focus on moderating the cost of home ownership through a complement of lower mortgage rates, interest subvention schemes and financial incentives to catalyse home renting.

The conclusion then is that the prevailing scenario notwithstanding, there is an undercurrent of optimism that home ownership – cheaper now to mortgage than ever – could be one of the sectors to lead India out of the prevailing downtrend.

Somany's preparedness

The second question is as relevant: How is Somany equipped to survive the downtrend?

There are a number of initiatives that we undertook in the last few years to turn Somany from a resource-driven business to a progressive asset-light business by focusing on

a deeper distribution network and a 360 degree marketing campaign to strengthen a consumer pull. We believe that this business model will be equipped to resist the slowdown better than competition and be quicker off the blocks once consumer demand revives.

We believe that in the slowdown, consumers will graduate faster to branded products where they are completely sure of the quality they buy; Somany reinvented its brand by engaging Salman Khan followed by a ‘*Zameen Se Judey*’ campaign to leverage five decades of market presence, sending out a message that its product can be completely trusted.

Our consistent endeavour to reduce our dependence on borrowed capital generated superior outcomes: lower finance cost and improved gearing, which made the Balance Sheet more attractive from a valuation perspective. In the last few years, Somany has graduated from complete manufacturing facility ownership to joint ventures; the Company has transformed from a working capital-intensive business model to a liquidity-driven approach that has kick started a virtuous cycle of higher liquidity and better interest cover.

We believe that in the slowdown there will be a premium on capturing every demand upturn across the country. Somany widened its distribution network through the addition of trade partners and extended liquidity support through channel financing.

We believe that in the slowdown, margins will be under pressure. Somany is climbing its value chain by reducing its exposure to the commodity segment. Besides, the Company is also increasing its revenue from the bathware segment, which is margins accretive.

We believe that at a time when management

bandwidth and integrity will be scrutinised closer than ever; there will be a premium on governance. Somany strengthened its SAP-driven controls and risk management and is engaged in liquidating its financial investments with the objective to eliminate treasury exposure and deploy the same in its core business.

The sectoral upside

At a time of economic and sectoral weakness, it would be relevant to outline some of the factors working in our favour.

India is among the most competitive tile manufacturing geographies in the world after China. With the Supreme Court banning the use of coal by Morbi tile makers, manufacturers there are finally connected by gas and find themselves on a level playing field with the rest of the country's tile manufacturers. Besides, the shift from unorganised to the organised players was finally evident during the latter part of the financial year in the backdrop of critical changes in the business environment.

Outlook

What then is the outlook for Somany?

The message that we wish to send out to our stakeholders is that the initiatives to strengthen our financial discipline and controls in the last couple of years are yielding good results. The Company has created a platform for profitable and sustainable growth that should manifest when consumer sentiment revives.

We come back to an old saying that we often use at Somany: "To be the last person standing in the worst of the night and the first to be off the blocks at dawn".

This is the Somany that will become increasingly visible across the landscape in times to come.

Managing Director's review of 2019-20

At Somany, we felt the need to reposition and re-present our brand



ABHISHEK SOMANY, MANAGING DIRECTOR

Q: Was the management pleased with the performance of the Company during the last financial year?

A: There are two ways to appraise the Company's performance during the last financial year. On the positive side, our Company further strengthened its working capital management which is the heart of any business; the gas cost, accounting for around ~25% of its resource costs, remained largely stable compared to the previous year; the value-added proportion of the Company's business increased 300 bps.

I must indicate a number of things that did not quite go as per our expectations as well: even as our sales throughput increased by volume, there was a decline in realisations on account of market sluggishness; our revenue growth was impacted due to the pandemic; there was an unprecedented incidence of stockbroker fraud that affected our reported numbers.

Q: You indicated superior cash management as one of the positive developments during the year under review.

A: In a business where we have ~2,000 trade partners across the country, success is derived from the ability to sell products to them and recover proceeds with speed. This is easier said

than done as competing forces provide long credit, making it imperative to match prevailing terms of trade in sluggish markets.

During the last few financials years, credit management became our focus area since a long receivables cycle affected our cash flow, which made it necessary for us to borrow short-term debt that increased our cost and impacted our margins. In view of this, the principal objective of our Company was to moderate debtors' cycle from a peak of 108 days of turnover equivalent in 2017-18.

Q: What were some of the other positive developments of the Company's working during the year under review?

A: At Somany, we felt the need to reposition and re-present our brand. In view of this, the Company launched a new promotional campaign that comprised Salman Khan for a period of two years starting June 2019. The combination of a superior product quality, quicker product availability and superior mix combined with the Salman Khan endorsement enhanced sales velocity and visibility. To summarise, we invested to grow our brand (and offtake) during the last financial year, validating the point that the Company's brand is re-energised and positioned to grow attractively.

Q: In what other ways did the Company strengthen the business?

A: As the market sluggishness persisted – with downstream sector's sales being muted – we were able to generate relatively better offtake. The challenge from our trade partners was the need for longer credit tenures so that they could have stocked our products and we would have sold more. However, a working capital-focused company like Somany was completely committed to reduce its working capital cycle. The result is that the Company arrived at a win-win proposition: we introduced channel financing for its trade partners at competitive terms to provide liquidity support.

Q: How did the Company perform on the manufacturing side?


A: At Somany, we realised that the key to manufacturing excellence would only be around scaling production; it would also be around a replacement of some legacy production lines with modern equipment to generate a larger throughput at a lower cost per unit and graduate to a better tile quality that would generate a superior realisation. The result is the pursuit of manufacturing excellence translated into three positive outcomes: increased output, lower costs and value-addition.

These improvements were achieved through a methodical approach: one production line at Kadi was completely revamped; the line was now able to produce a larger ceramic tile size that was positioned as the 'King of wall tiles' (45x90 inches) that translated into a lower wastage on one hand and superior realisations on the other. The plant in South India, which was commissioned towards the end of the last fiscal, was scaled to its full capacity by the fourth quarter of the year.

Q: How did the Company perform when it came to the quality of business?

A: At Somany, this is a critical point, where we are increasingly convinced that it would be preferable to walk away from a loss-making proposition and engage in relatively smaller but superior quality of sales. The Company has a positive achievement to show in this regard in term of the higher proportion of value-added sales across all segments.

5 ways Somany is strengthening its business

 <p>Brand rejuvenation</p> <p>1</p>	<p>Market place reality</p> <ul style="list-style-type: none"> • Increased competition and brand clutter • Greater premium on brand visibility, recall and respect • A number of unbranded and unorganised Morbi players closed operations 	<p>Somany's initiatives</p> <ul style="list-style-type: none"> • The Company engaged Salman Khan as Brand Ambassador in 2019-20 • It deepened its presence across the spectrum and all advertising campaigns, including hoardings, displays at airports, promotional and packaging material • The Somany brand was recalled around the word 'premium' 	<p>Desired outcome</p> <ul style="list-style-type: none"> • From non-celebrity positioning to celebrity-aided recall • From brand applicability across all consumers to a distinctive premium sheen
 <p>Right-sizing the Balance Sheet</p> <p>2</p>	<p>Market place reality</p> <ul style="list-style-type: none"> • Slower growth stressing most tile company Balance Sheets • Increased selectivity among investors 	<p>Somany's initiatives</p> <ul style="list-style-type: none"> • Moderation of long-term debt to ₹9,635 Lakhs (likely to be liquidated in 3 years at standalone level) • No major capex proposed • Emergence of an under-borrowed and liquid Balance Sheet • Cash flows invested in brand building 	<p>Desired outcome</p> <ul style="list-style-type: none"> • From capital-intensity to capital-lightness • From a large Balance Sheet to high liquidity • Superior profitability

 <p>Superior product mix</p> <p>3</p>	<p>Market place reality</p> <ul style="list-style-type: none"> • Increased competition and discounting • Extensive discounting in the PVT segment • Weakening realisations 	<p>Somany's initiatives</p> <ul style="list-style-type: none"> • Increased proportion of revenues from GVT business • Focus on larger format tiles across the ceramic, PVT and GVT segments • Growth in the bathware business 	<p>Desired outcome</p> <ul style="list-style-type: none"> • From low value-added to larger tile formats with a value-added orientation • Improved sales mix in bathware with the introduction of premium product range • Increased value-addition
 <p>Competitive production lines</p> <p>4</p>	<p>Market place reality</p> <ul style="list-style-type: none"> • Greater premium on modern manufacturing lines • Increased need for facilities to make larger value-added tiles • Increased need for asset-light tiles 	<p>Somany's initiatives</p> <ul style="list-style-type: none"> • Overhauled one line at Kadi from the legacy to the modern • Manufacturer of one of the largest tiles on this line 	<p>Desired outcome</p> <ul style="list-style-type: none"> • From a focus on low cost production lines to modern equivalents • From a focus on mid-sized tiles to larger value-added varieties • Superior operating efficiency
 <p>Digital marketing</p> <p>5</p>	<p>Market place reality</p> <ul style="list-style-type: none"> • Increased need for sales-front speed and insights • Deeper need for digital seamlessness • Digitalisation seen as a driver of competitiveness 	<p>Somany's initiatives</p> <ul style="list-style-type: none"> • Moved a large part of the business to smartphone compatibility • Billing to dispatch to receipts on the portal • Enhanced sales productivity and dealer response • Increased secondary sales information flow to the Company 	<p>Desired outcome</p> <ul style="list-style-type: none"> • From conventional manual systems to increased digital-driven systems • From a back-end corporate control to increased smartphone responsiveness • From information access through trade partners to direct access



Our stakeholder value creation report

Objective

Integrated reporting focuses on increasing value for all stakeholders in a sustainable way.

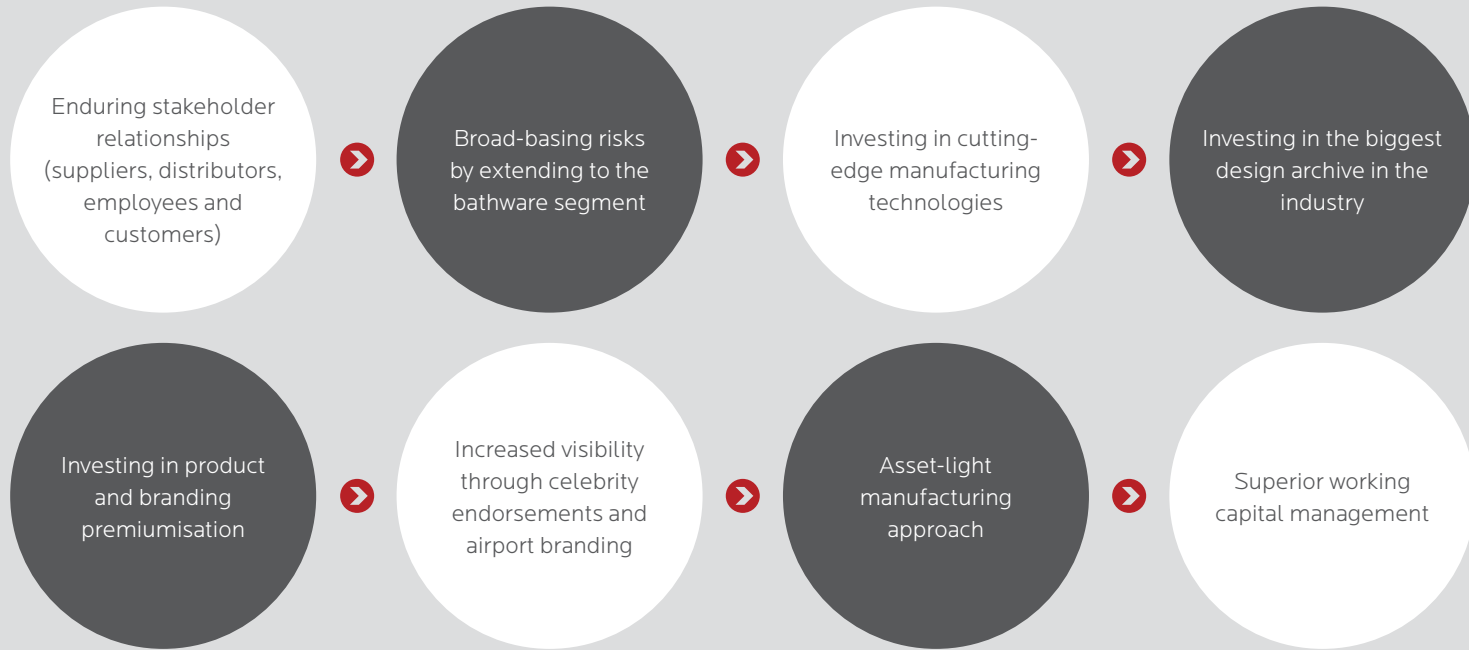
The Company is driving value across six Capitals identified by International Integrated Reporting Council (Financial capital, Natural capital, Manufactured capital, Human capital, Intellectual capital and Social and Relationship capital).

The Integrated Report highlights prudent resource utilisation across all stakeholders (employees, customers,

suppliers, business partners, local communities, legislators, regulators and policy-makers).

At Somany Ceramics Limited, the objective of our integrated reporting discipline is to enhance transparency, awareness and value creation on initiatives related to revenue growth, cost moderation, enhanced quality, diversified portfolio, widening distribution, brand effectiveness, profit distribution (through dividends) and governance.

Our overall value enhancement strategy



Sectoral context



Disposable income

The nominal per capita net national income in 2019-20 was estimated at ₹1,34,226 compared to ₹1,26,521 in 2018-19, a platform for consumer consumption growth.



Per capita consumption

India's per capita tile consumption of tile was 0.59 sq. metres in 2018 compared with a global average of 1.40 sq. metres, indicating available headroom.



Favourable demographics

With ~66% of India's population below 35 years, India's median age was estimated at ~28 years compared to a global average of 30 years in 2019, driving aspiration-led offtake.



Price-value proposition

The consumption pattern of India is shaped by the mindset to buy into products promising a superior price-value proposition.

Drivers of Somany's value

SOMANY

At Somany, we believe that the interplay of value delivered across our various stakeholders has translated into business sustainability.



Our employees are our biggest assets and integral part to our existence (Procurement, Manufacturing, Research & Development, Sales & Marketing, Branding, Finance, Human Resources, etc.). Our focus is to provide them with an exciting workplace, generate stable employment, maintain a culture of high manufacturing excellence, enhance design integrity and increase productivity.



Our suppliers provide credible and a continuously supply of resources, required for the production of tiles and bathware. Our focus is to maximise quality procurement at declining average costs with the objective to widen our margins.



Our customers provide us with a platform for business growth. They provide us with the reason to enhance capacities, increase efficiencies and producing quality products. Our objective is to make and market products that enhance customer pride.



Our communities not only provide us human capital, but also the natural resources and social infrastructure. We repay our community debt through specific programmes of welfare and uplift.



Our government is responsible for nation building. We provide the government with a timely payment of taxes, compliances and livelihoods, strengthening the national fabric.

Our resources



Financial Capital:

The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt and net worth.



Manufactured Capital:

Our manufacturing assets, technologies and equipment constitute our Manufactured Capital coupled with efficient logistics.



Human Capital:

Our management, employees and contract workers form a part of our workforce that enhances value.



Intellectual Capital:

Our aggregate multi-decade experience of growing our business (across products, resources, markets, partners and financials) translates into our Intellectual Capital.



Natural Capital:

Our raw materials are sourced from nature, indicating our dependence on Natural Capital.



Social and Relationship Capital:

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Strategic priorities

Profitable growth

The Company focuses on superior working capital management, value-added product mix, pan-India manufacturing presence and increased brand visibility with the objective to generate multi-year profitable growth.

2

Number of years the Company reported profitable growth in the 5 years ending 2019-20

Asset lightness

During the last few years, Somany invested in asset-light manufacturing joint ventures and product outsourcing (especially during the initial demand-seeding phase).

1,32,889

Total capital employed (₹ Lakhs), 2018-19

1,23,448

Total capital employed (₹ Lakhs), 2019-20

Topline

The Company reported a topline of ₹1,60,023 Lakhs in the face of a global slowdown through superior distribution and superior brand management.

1,70,833

Revenues (₹ Lakhs), 2018-19

1,60,023

Revenues (₹ Lakhs), 2019-20

Working capital efficiency

The Company focused on a better management of its receivables with the objective to reduce interest and enhance liquidity.

89

Receivables (days of turnover equivalent), 2018-19

64

Receivables (days of turnover equivalent), 2019-20

Interest outflow

The Company was faced with the need to moderate the cost of staying in business – lower interest costs on term loans and working capital.

45.92

Interest cost (₹), 2018-19

49.41

Interest cost (₹), 2019-20

Input cost efficiency

Volatile fuel costs have played a major role in influencing the profitability of tile makers, making it imperative to cover costs better.

21.65

Total fuel cost as % of revenues, 2018-19

21.62

Total fuel cost as % of revenues, 2019-20

Focus

There was a need to focus on the bathware segment with the objective to provide complementary products that enhanced margins.

11.7%

of revenues derived from non-tiles, 2018-19

11.4%

of revenues derived from non-tiles, 2019-20

Branding

There was a need to enhance recall through increased brand spending (brand ambassador engagement) and initiatives across the social media and prominent locations

4,894

Brand spending (₹ Lakhs), 2018-19

5,184

Brand spending (₹ Lakhs), 2019-20

Our strategy



Strategic focus



Employee focus



Customer focus



Supplier focus



Shareholder focus



Government focus



Community focus

Key enablers

Somany employed 235 talents in 2019-20.

Remuneration of ₹23,905 Lakhs was a 5.1% increase over 2018-19.

47% of employees had worked with the company for five years or more.

Average age was 37 years as on March 31, 2020.

People retention was 84%, higher than the industry average.

Somany was recognised for 'Significant excellence in HR practices' by CII in 2019-20.

Somany focused on aesthetic product designs.

Proportion of value-added GVT tiles and bigger format tiles in Ceramic and PVT increased.

The Company provided tiles and bathware, a complete consumer solution.

The Company has tie ups with international design houses.

The Company made it convenient for consumers to buy.

Somany strengthened its vendor ecosystem.

The stable ecosystem provided the company with high resource quality.

Rising volumes resulted in superior procurement economies.

More than 90% of vendors were associated with the Company for more than 5 years.

Somany transformed from an asset-driven business to a progressively asset-light business.

Complemented the product offering by leveraging the Somany brand across bathware and tiles; enhanced cross-sale and margins growth.

The Company became virtually free of long-term debt in 2019-20.

Receivables declined; working capital load declined.

The proportion of premium products increased.

Somany has been a responsible corporate citizen

Somany has been a responsible taxpayer over the years.

Exports generated ₹11,634 Lakhs in 2019-20

Somany engaged in various community development activities

The Company focused on healthcare, skill development, education, infrastructure development and women empowerment

Somany invested ₹201 Lakhs on CSR activities in 2019-20

Financial highlights

(Based on Consolidated Financials)

(₹ in Lakhs)

Particulars	FY 17	FY 18	FY 19	FY 20
Sales	1,72,781	1,70,821	1,70,833	1,60,023
EBIDTA	25,084	20,396	18,251	14,412
Finance costs	3,897	3,992	4,592	4,941
EBDT	21,187	16,404	13,659	9,471
Depreciation	3,128	4,128	4,425	5,895
PBT	18,059	12,276	9,234	3,576
PAT	9,816	7,044	4,632	1,500
Share Capital	848	848	848	848
Reserves & Surplus	51,569	57,220	60,456	59,796
Deferred Tax Liability	4,739	5,236	5,315	3,583
Loan funds#	49,699	53,964	57,312	49,812
Gross Block (including CWIP)	61,157	73,321	82,859	92,921
Net Block (including CWIP)	57,926	67,169	73,029	77,662
Current assets	84,066	94,832	90,318	74,992
Current Liabilities##	26,076	34,057	30,271	25,560
Net Current Assets	57,990	60,775	60,047	49,432
Net worth	52,417	58,068	61,304	60,644
Capital Employed	1,15,199	1,26,859	1,32,889	1,23,448
EPS (₹)*	23.2	16.6	10.9	3.5
Book value (₹)*	123.7	137.0	144.7	143.1
Dividend (₹)*	2.7	2.7	2.0	2.0
RONW (%)	20.3	12.8	7.8	2.5
ROCE (%)	20.6	13.4	10.7	6.6
Debt Equity (times)	1.0	0.9	0.9	0.8

including current maturities of loans

excluding current maturities of loans

* Face Value of ₹2/- per share



The Somany brand: Principal asset and business driver

The Somany brand stands for 'premium', enhancing pride of association for all those who buy it, graduating the brand from just a name into a trust mark

Overview

India's tiles and bathware segments have evolved over the last decade towards the premium, value-added and quality-driven. Correspondingly, there is a growing premium on brand-driven positioning and offtake. Across the last decade, Somany has not just increased its brand spending but also transformed its positioning, strengthening its relevance, realisations, recall and respect.

Highlights, 2019-20

Somany engaged Salman Khan as Brand Ambassador for a period of two years, launched as part of a 'Zameen Se Judey' brand campaign supported through digital media promotion, television commercials, trade and influencer branding, airport visibility, print advertisements, modern showrooms, website and mobile bathware vans particularly in Tier 2 and 3 cities.



Enhancing Somany's brand visibility

5,184

Brand spending, 2019-20
(₹ Lakhs)

4,894

Brand spending, 2018-19
(in ₹ Lakhs)

Somany's social media focus

Website: Attractive and informative content



>3 Lakh 'likes' sustained by contests on relevant topics



Leveraged the platform to widen its access



More than 16000 connections

The success of the 'Zameen Se Judey' campaign

10.5

Million users in less than 15 days.

>1.9

Million video views for #ZameenSeJudey

83%

Engagement rate for Instagram stories

How Somany deepened its distribution network

Somany products are available down in locations with a population as small as 75,000, strengthening the recall that 'If you need a tile, Somany is never far away'

Overview

During the last few years, Somany made a decisive shift from institutional customers to servicing retail demand with the objective to broadbase its risk profile, be proximate to customers and sell a larger quantity – faster. In India, where incomes and aspirations have grown attractively over the last decade, a wider and deeper distribution network represents one of the most effective platforms to address demand upturns with speed.

Highlights, 2019-20

Right-sizing: The Company right-sized the number of trade partners, generating a higher penetration considering the geography and market size.

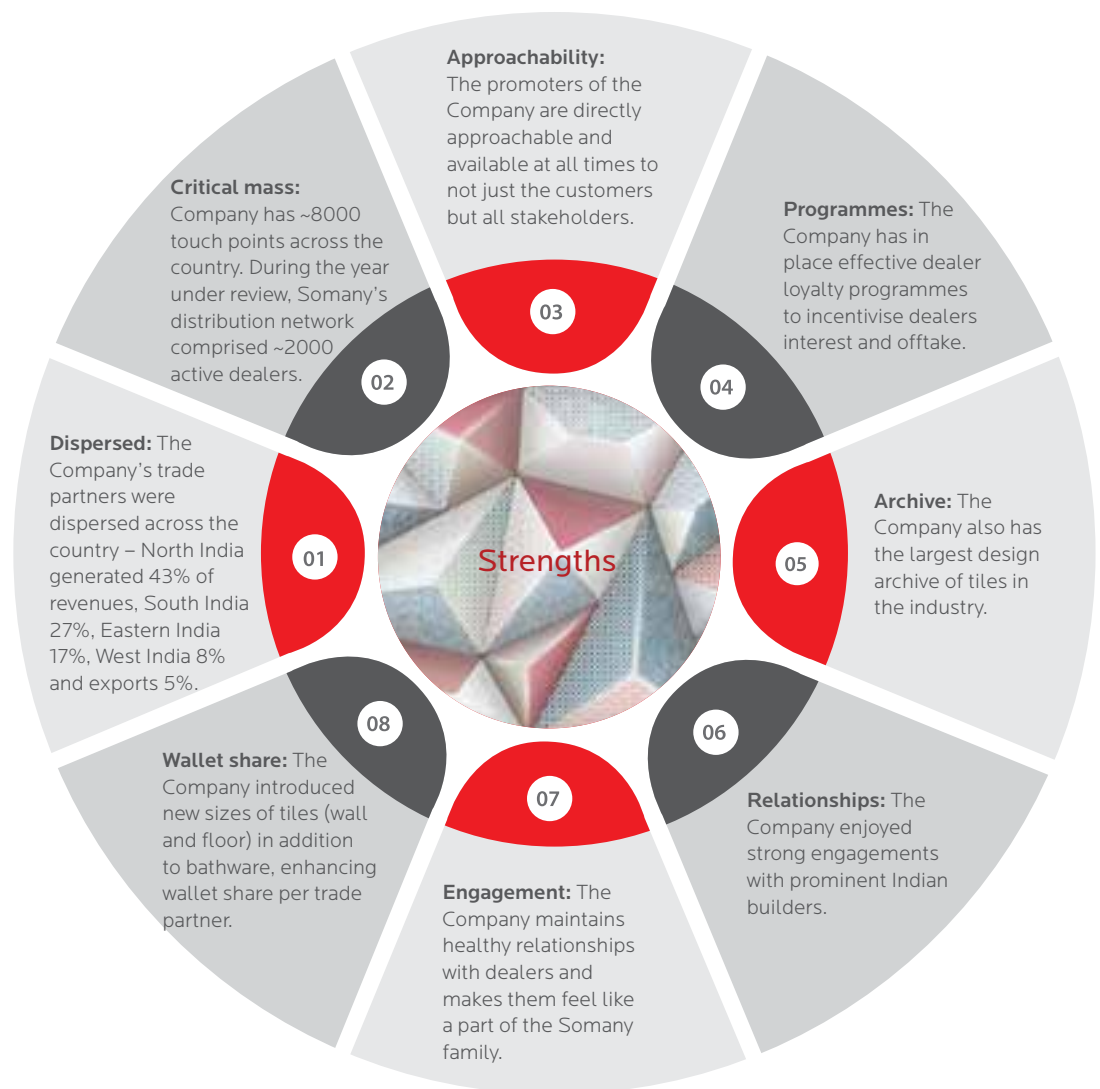
Discipline: The Company exercised a stronger credit discipline, moderating market outstandings from >100 days in 2018-19 to <65 days in 2019-20.

Service: The Company serviced trade partners faster, empowering them to stock lower and generating superior return on resources.

Complementary: The Company's business developments team marketed premium products for architects and builders, widening the business for trade partners.

Transition: The Company shifted its attention from institutional customers (builders) to retail, strengthening realisations and de-risking.

Focus: The Company strengthened its focus on selecting the right trade partners attractively sell the right products and move up the value chain.





How we strengthened credit discipline among trade partners



A long receivables cycle compelled Somany to borrow short-term debt that increased the Company's cost of funds and moderated margins



The Company moderated non-performing debtors and engaged new distributors

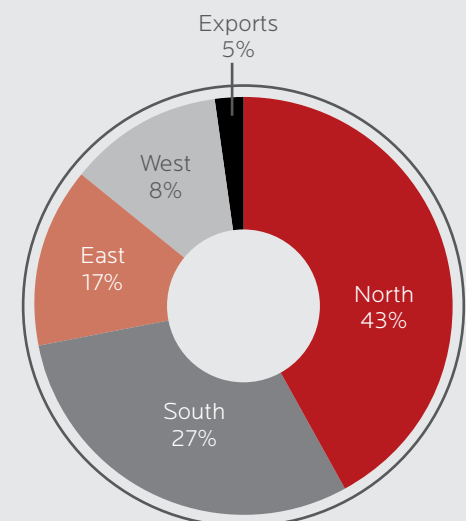


This switch helped moderate its receivables cycle from >100 days in 2018-19 to <65 days in 2019-20



This change towards enhanced credit discipline helped enhance liquidity during a slowdown

Zone-wise revenue share





How Somany's tiles enhanced realisations with superior designs

At Somany, the ongoing focus is to develop superior designs that fetch higher realisations and strengthen business sustainability

Overview

Over the years, 'design' has proved to be a competitive driver in India's tile and bathware sector. There is a greater premium on the ability to design in line with prevailing trends and preferences. During the last few years, Somany invested extensively in a design studio to develop new styles and collections, strengthening a premium positioning and corresponding realisations.

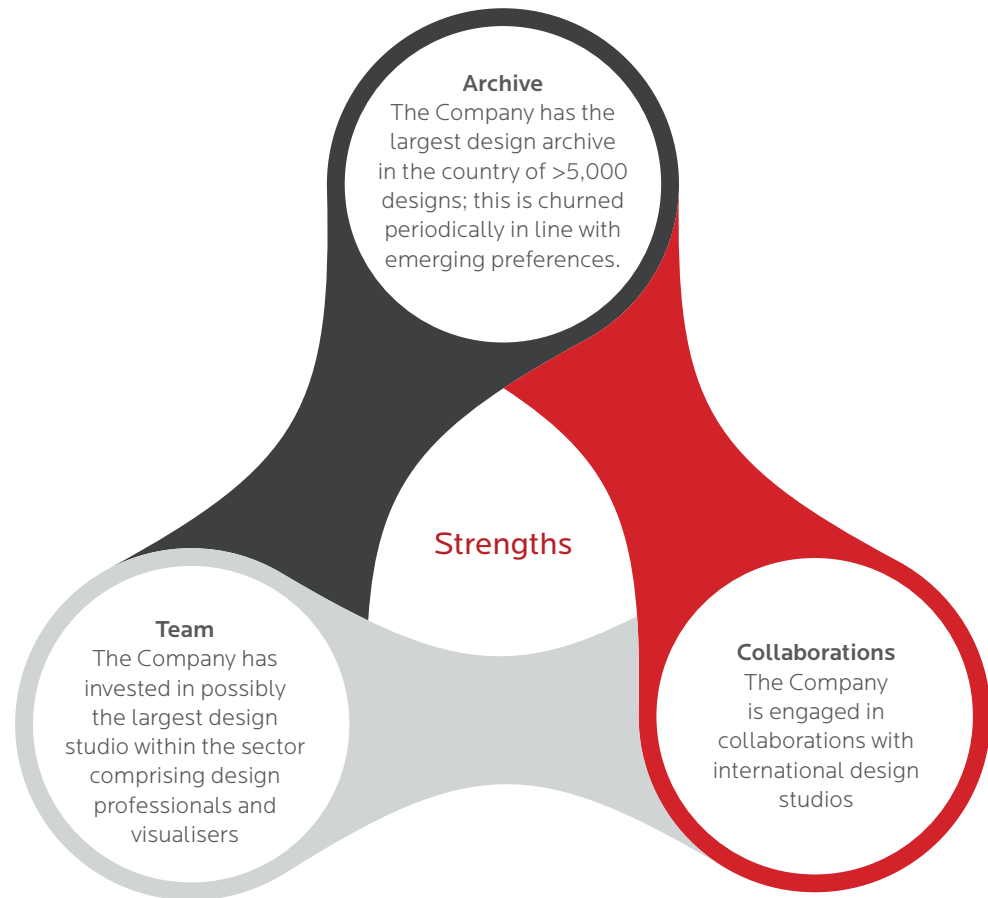
Highlights, 2019-20

Pioneer: The Company introduced variety, not just in terms of designs, but also sizes (pioneered the launches of 45x90 cm, 30x75cm and 45x45cm sizes).

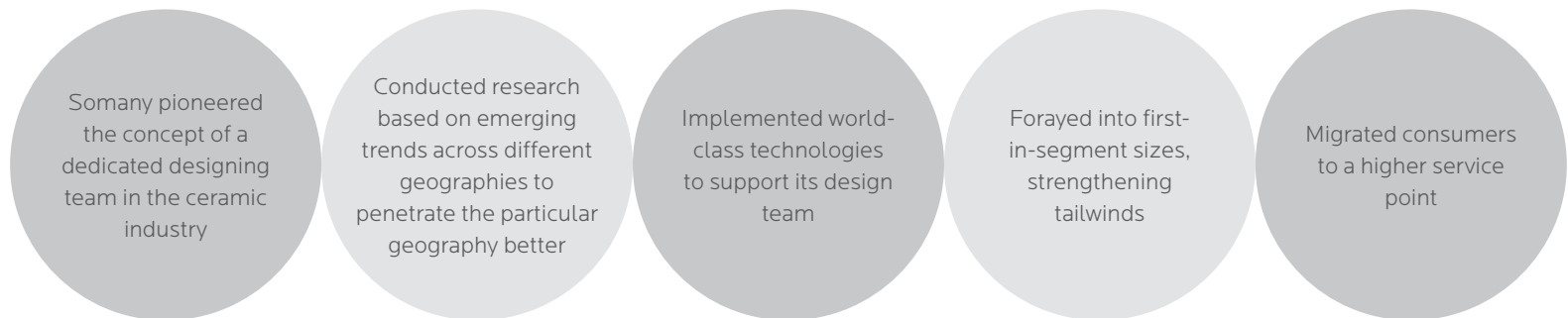
Research: The Company's design team researched design preferences in South India that would be serviced out of the new plant in Tirupati.

Throughput: The Company launched >2000 new designs during the year under review.

Infrastructure: The Company invested in advanced digital printing machines (Kassar and Kadi) to enhance design and tile printing quality.



How we transformed the industry perspective



How Somany grew its bathware business

At Somany, we have grown our complementary business with the objective of providing consumers with a single-stop solution.



Overview

During the last few years, Somany graduated from a tile brand to a lifestyle recall, standing for premium bath interiors solution. This positioning provided the Company with adequate room to extend from tiles to bathware, leveraging the same distribution network on the one hand and commencing sales with manufacturing outsourcing on the other. The business has since grown attractively, strengthening margins on the one hand and cross-sale on the other.

Highlights, 2019-20

The Company improved its product profile in the bathware segment, which is remarkable in the backdrop of a sluggish economy. The Company enhanced its product portfolio by launching storage water heaters (geysers) through 11 SKUs in metal and ABS bodies, which generated a creditable response in the first year of launch.

The Company strengthened its bath fittings offtake through the successful introduction of the French Collection series.

The Company widened its reach through the scaling up of new Bath Studios, leveraging the 'shop in shop' approach to widen its retail footprint.

The Company restructured its distribution model and introduced super distributors to strengthen availability and cost effective logistics management.

Somany invested extensively in a pan-India service network aided by technology to provide a superior customer experience. It improved customer satisfaction through a significantly lower turnaround time.

How our Bathware business has grown

10.8

% of revenues derived from bathware business in 2019-20

17,034

₹ Lakhs, revenues from the Bathware business, 2019-20

How Somany has transformed its bathware business

- Somany forayed into the sanitaryware business in 2007; it forayed into the bath fittings business in 2010
- The Company leveraged digitisation and technologies to strengthen its bathware business
- The bathware segment helped de-risk the tile business
- The Company launched the service platform for a superior customer experience – one of its kind



Tiles

Revenues (2019-20)
as % of overall revenue: **88.6%**



Ceramic tiles

Revenues (2019-20) as % of overall revenue: **35.6%**

Capacity: **~28** msm per annum

Number of joint ventures: **2**

Manufacturing facilities: **4**



Polished vitrified tiles

Revenues (2019-20) as % of overall revenue: **32.2%**

Capacity: **~15** msm per annum

Number of joint ventures: **4**

Manufacturing facilities: **4**



Glazed vitrified tiles

Revenues (2019-20) as % of overall revenue: **20.7%**

Capacity: **~10** msm per annum

Number of joint ventures: **1**

Manufacturing facilities: **2**



Sanitaryware

Revenues (2019-20) as % of overall revenue: **7.0%**

Capacity: **1.15** million pcs per annum

Number of joint ventures: **1**

Manufacturing facilities: **1**



Bath fittings

Revenues (2019-20) as % of overall revenue: **3.8%**

Capacity: **0.65** million pcs per annum

Number of joint ventures: **1**

Manufacturing facilities: **1**

Our social engagement

Somany is a responsible corporate citizen and has been engaged in social welfare since its very inception, when there was no mandate for companies to take part in community welfare. Somany is engaged in fulfilling its social responsibility in the areas of national heritage conservation, restoration of historical sites, promotion of art and culture, destitute care and rehabilitation, environmental sustainability and ecological balance, education promotion, vocational skills and healthcare promotion including preventive health care. It has been the Company's consistent effort to reach out to the marginalised and contribute towards their betterment.





Health and hygiene

- Somany contributed towards a rehabilitation centre in Himachal Pradesh with the objective of providing specific physiotherapy, hydrotherapy, medical and genetic counselling help to people affected by muscular dystrophy. It ensured complete care management for testing, diagnosis, rehabilitation, orientation, rejuvenation and all other alternative therapies for patients.
- Somany contributed towards the construction of a homeopathic dispensary in Uttar Pradesh and helped procure medicines, provided to the under-privileged for free.

Education programmes

- Somany worked hand-in-hand with a renowned art foundation to protect and preserve national heritage, in turn ensuring the protection of contemporary art in the country.
- Somany helped people with visual impairment by aiding them with the right infrastructure for education and vocational learning, promoting the right to education for all.
- Somany improved the infrastructure of various renowned schools and universities across the country, providing scholarship to students and establishing centres of excellence.
- Somany aided the construction of a public

library and a large hall for educational seminars in Uttar Pradesh.

- Owing to the paradigm shift towards e-learning, schools increasingly started adopting e-education. Somany aided such a school in New Delhi with the funds required for the adoption of e-learning and modernisation of equipment. The Company provide improved education to economic weaker students, ensuring their right to equal education.

Skill development

- Somany helped masons across Delhi, Haryana, Uttar Pradesh, Himachal Gujarat and Rajasthan in their training and skill development.

Animal welfare

- Somany contributed funds for animal welfare, which included the construction and maintenance of bird hospitals at various locations in India.

COVID-19 pandemic

- The Company contributed ₹25 Lakhs in the PM Cares Fund to help the Government fight the COVID-19 pandemic better.
- The Company provided relief through food distribution to eradicate hunger and healthcare assistance to the needy during the COVID-19 pandemic.

Management Discussion and Analysis



Global economic review

The global economy grew slower by 70 bps at around 2.9% in 2019 compared to 2018. Global trade also grew a mere 0.9% in 2019 due to adverse trade conditions and slower economic growth. The pandemic Covid-19 is projected to shrink global growth significantly in the foreseeable future.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth over five years (%)

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Global economic review

The Indian economy slowed to 4.2% in 2019-20, compared to 6.1% in 2018-19. In 2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumed an average of ₹75 per US dollar.

The nominal per capita net national income was estimated to be ₹1,34,226 in 2019-20, up 6.1% from ₹1,26,521 in 2018-19. Retail inflation climbed to a six-year high of 7.6% in January, breaching the RBI's upper band of 6% while settling at 5.9% in March 2020. Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued around 3.4% and 3.3%, respectively during 2019-20 (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social

distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors dependent on imported inputs such as pharmaceuticals, autos, chemicals and power, etc.

Growth of India's GDP in 2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Key government initiatives

National infrastructure pipeline: To achieve a GDP of US\$ 5 trillion by 2025, the government announced National Infrastructure Policy with

an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

Corporate tax relief: Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced the corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.2%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.0%.



Global tile industry overview

The global ceramic tiles market was pegged at US\$ 97 billion in 2019 and expected to expand at a CAGR of 9% between 2019 and 2029 to reach US\$ 228 billion by 2029. A large share of the world production came from the Asia Pacific region with China being the biggest manufacturer of ceramic tiles in the world followed by India. Further, in terms of volume (million sq. ft.) the market is expected to expand at a CAGR of 7.6% between 2019 and 2027. This optimistic estimation is on the back of growing residential construction, renovation and modernisation of older structures coupled with strong growth in the flooring market and infrastructure development.

With an increasing focus on the residential sector, there has been an increase in spending in this sector, which has, in turn increased the demand of ceramic tiles across the world. Renovation and new installation in the residential construction sector are likely to drive the demand of the tiles. This, coupled with the shift in consumer preference towards ceramic tiles (floor tiles, wall tiles and ceiling tiles) in the interior construction sector, is likely to fuel the demand of tiles.

Ceramic wall tile sizes and shapes have gradually evolved from square-shaped products to rectangle-shaped products owing to their ability to provide a cleaner and uniform look. Currently, the most popular tile size across the world is 30 inches X 60 inches; accounted for a proportion of 36% of the total revenue in 2018. This size is widely preferred in residential application owing to its versatility and ability to be installed in a variety of layouts such as lines, staggered, combined or modular. The global market players introduced extra-large products, especially for commercial spaces such as airports, offices, shopping malls and retail stores, among others. These products offer a seamless monolithic look and are witnessing steady growth. However, challenges such as high installation cost and lack of skilled labor is affecting on the demand of these tiles in the market.

(Source: Persistence Market Research, Businesswire, Grand View Research)

Key trends

Inkjet printing: The global ceramic tile industry has been largely affected by the evolution of

technology over the past few years. Digital inkjet printing technology has enabled tile manufacturers to produce a wide variety of designs. The inkjet technology not only ensures high-quality printing but also a higher speed of printing, which goes up to 50-meters per minute. Further, this technology helps the decoration to be applied till the edges of the tile, improving the overall quality of tiles.

Dry pressed ceramics: The global consumer preference shift marbles to ceramic tiles is going to boost the demand for ceramic tiles across the world. The shift in consumer preference is supported by two reasons – tiles are cheaper than marbles; anti-skid tiles are specifically designed to reduce slippage hazards and largely used in showers, kitchen and balconies, strengthening choice over marbles.

‘Green’ construction: Ceramic tiles are expected to play an important role in ‘Green’ construction in the future. Products such as cool roof tiles help reflect solar energy, which keeps interiors cooler, reducing the inside temperature by ~10 to 20 degree Celsius.



Major markets

- China
- Iran
- Brazil
- Italy
- India
- Vietnam
- Spain
- Turkey
- Indonesia
- Mexico

Segregation of global ceramic tiles market, by product

- Floor tiles
- Wall tiles
- Others (ceiling tiles, roofing tiles, countertop tiles, etc.)

Segregation of global ceramic tiles market, by application

- Residential replacement
- Commercial
- New residential
- Industrial

(Source: Transparency and Markets)

Indian tile industry overview

The size of the Indian tile industry in 2018 was estimated at ~1,145 million sq. meters compared to 1,080 million sq. metres in 2017, accounting for 8.7% of the global production. Over the last two years, the Indian ceramic tile industry encountered challenges from the economy in addition to the unorganised sector. The ceramic tiles industry in India was estimated at ~₹35,000-40,000 Crores in 2019, recording single-digit growth. Nearly ~40% of the industry was organised, while 60% was largely unorganised comprising players from Morbi, Rajkot and other clusters.

India is not only the second-largest producer of ceramic tiles in the world after China but also the second-largest consumer of ceramic tiles in the world after China with a consumption quantum pegged at 750 million sq. metres and accounting for almost ~6% of the world. India is also the fourth-largest exporter of ceramic tiles with the export quantum pegged at 274 million sq. metres compared to 228 million sq. metres in 2017, accounting for a global share of 10%.

The industry is marked by increased spending on infrastructure by Government, rapid urbanisation and consumer preference shift, which, in turn is promoting the demand for ceramic tiles in residential and commercial buildings across the country. It is not just the new projects that drive the demand for ceramic tiles in the country but also increasing application of tiles in replacement and

renovation projects. Further, the replacement market is expected to witness strong growth in the future, driving the growth of the ceramic tiles market of India. On the back of such optimism, the Indian ceramic tile industry is expected to grow at a CAGR of 8% over the next few fiscals.

Key demand drivers

Housing sector

Housing shortage: According to Ministry of Housing and Urban Affairs, there was an affordable housing shortfall of approximately 10 million houses. With the government addressing this housing shortage, the ceramic tile industry is expected to receive huge traction.

Per capita consumption: The per capita consumption of tiles in 2018 was a mere 0.59 sq. metres in India compared to 3.95 sq. metres in China and 3.39 square metres in Brazil and the global average of 1.40 sq. metres, indicating the huge headroom of growth available.

Home extension and home improvement

needs: In 2011, 41% of households were living in less than one-room homes and 53% households were in a good condition, implying a need for home improvement and home extension. Owing to this increasing growth in home extension, the ceramic tiles and sanitaryware industry has seen a sea change.

Hotel sector

Hotel growth: The hotel industry in India is projected to grow to ₹1,210.9 billion by 2023, expanding at a CAGR of ~13% between 2018 and 2023, on the back of high arrival rate of foreign tourists and business delegates once the world normalises.. This could further boost the ceramic tile and sanitaryware market in the country.

Commercial sector

Office space: According to a Knight Frank India report, the country's office leasing volume rose by 27% y-o-y to an all-time high of 60.6 million sq ft in 2019 on the back of a surge in leasing activity by information technology companies. This has helped boost the ceramic tiles and sanitaryware market in the country.

Shopping malls: India is set to >65 million sq ft of new mall spaces by the end of 2022, of which the top 7 cities comprise 72% share and the remaining 28% or 18.2 million sq ft is slated to come up in Tier 2 and 3 cities. This could widen the ceramic tile and sanitaryware market in the near future.

Policy

Pradhan Mantri Awas Yojana (PMAY-Urban):

Under this initiative, the Government aims to build 1 Crore houses by 2022, of which ~104 Lakh houses were sanctioned till date and >32 Lakh houses completed. This will drive the demand of tiles in the country for the next few fiscals.

Pradhan Mantri Awas Yojana (PMAY-Gramin):

In the second phase of PMAY-Gramin, the Government assured to provide 1.95 Crore houses to eligible beneficiaries between 2019-20 and 2021-22 with amenities such as LPG, electricity, and toilets. This could boost the demand for ceramic tiles in the near future.

0.6

Sq. m, the per capita consumption of tiles in India

4.0

Sq. m, the per capita consumption of tiles in China

3.4

Sq. m, the per capita consumption of tiles in Brazil

1.4

Sq. m, the per capita global consumption of files

Financial

Increasing incomes: The nominal per-capita net national income during 2019-20 was estimated at ₹1,34,226, a rise of 6.1% compared to ₹1,26,521 during 2018-19.

Low mortgage liabilities: There has been a lack of funding facility for mortgage finance for self-employed individuals or people in the informal sector, resulting in a penetration rate of only 10% compared to mortgage penetration in the advanced economies like China, Japan and USA of 26%, 38% and 50% respectively. This shows the huge headroom available and this could boost the housing segment, and, in turn the ceramic industry in India.

Improved borrower affordability: With the home buyers receiving tax incentives on home loans for principal and interest payment of home loans, affordability improved across the country. Tax incentives on home loans

for principal and interest repayment and the subsidy under CLSS for economically weaker sections boosted the affordability for low income groups, middle income groups and first-time buyers. This created a ripple effect and widened the ceramic industry in the country.

Demographics

Urbanisation: By 2030, approximately 40% of the population could reside in urban India from 34% today, creating an additional demand for 25 million affordable housing units, which could, in turn, strengthen the demand for ceramic tiles in the country.

Favourable demographics: Approximately 66% of India's population is below the age of 35 years. The median age of the country is estimated to be ~28 years compared to a global average of 30 in 2019. The youth

population is largely driven by changing trends like the increasing use of wall tiles, which are cost-effective and provide a two-fold utility for consumers.

Growing nuclear families: Nuclear families in rural areas jumped 29% versus 9% in urban households. Nuclearisation is expected to add about 6-7 million households per year, strengthening domestic consumption of the ceramic tiles, sanitaryware and bath fittings industry in the country.

(Source: ICTAS, Hindu Business Line, Businesswire, CRISIL, Economic Times, PMAY, Business Standard, MoSPI, Marketwatch)

Global sanitaryware and bath fittings market

The global sanitaryware and bath fittings market was pegged at US\$ 9.67 billion in 2018 and projected to reach US\$ 13.61 billion by 2025, growing at a CAGR of 5% between 2019 and 2025. The global sanitaryware market is largely driven by growth in construction activities in developing countries coupled with a rise in the availability of raw materials for the industry across the world.

The market across Asia-Pacific held the lion's share in 2018, contributing more than one-fourth of the market share. Furthermore, the region is projected to record the fastest CAGR of 5.9% between 2019 and 2025.

The global sanitary ware market is divided on the basis of product type and material:

- Based on product type, the market is segmented into toilet sinks/water closets, wash basins, pedestals, and cisterns.

- Based on material, the market is categorised into ceramic, pressed metal, acrylic plastic, Perspex and others.

The toilet sink/water closet accounted for a lion's share of more than one-fourth of the total market size in 2018 and is expected to retain this position. The pedestal segment is projected to register the fastest growth, growing at a CAGR of 6.1% between 2019 and 2025. On the material front, the ceramic segment dominated the industry, accounting for ~4/5th of the total market and also expected to record the fastest CAGR of 5.4% between 2019 and 2025.



Indian sanitaryware and bath fittings market

The Indian tiles, sanitary ware and bathroom fittings market was pegged at US\$ 6.5 billion in 2018 compared to US\$ 5.9 billion in 2017, registering a y-o-y growth of >10%. The market is further projected to grow to US\$ 11.4 billion by 2024, growing at a CAGR of 9.8% between 2019 and 2024.

The major drivers behind this growth comprise an increase in the budget of drinking water and sanitation programs like the Swachh Bharat Abhiyaan initiated by the Indian Government, government's push for Housing for All, endeavours like Smart Cities and improvement of sanitation, sustained public and private measures in recent years, coupled with improvement in standards of living, which led to the growth of the sanitary and bathware industry in India. The real estate sector, which experienced a slowdown in the last few years is also expected to head for a revival, strengthening the growth of this sector.

The Indian sanitaryware and bath fittings market can be divided on the basis of product type and end user type. On the basis of the product type, the market is divided into faucets,

shower fittings and thermostats, among others, of which faucets is the market leader in India; on the basis of end use, the market is divided into residential, institutional and commercial sectors, of which, the residential sector contributes for the biggest chunk of business.

Key trends

Water conservation: With the increasing awareness about the sustainable usage of water, consumer preferences are led by terms like 'water conservation'. More companies have started designing sanitaryware and bath fittings directed towards water conservation, which is the need of the hour and is gaining traction.

Premium fittings: Another factor shaping consumer preference is the migration of people towards premium products. The number of ultra high-net-worth individuals (UHNIs) is expected to grow by 73% in the next 5 years. With the rise in UHNI and HNI population in the country, demand for premium products could gain traction.

Traction from Swachh Bharat Mission

1,028.7

Lakh, Toilets built since October 2014

61.3%

Increase in households with toilets since October 2014

1,03,60,759

Toilets built in 2019-20

(Source: IMARC, Swachh Bharat Mission)

Key numbers driving the ceramic tiles, sanitaryware and bath fittings industry

4.6

Average household size in 2019 (number of members)

5.3

Average household size in 2011 (number of members)

45-55

Average age of home buyers in the late 90s (in years)

35-45

Average age of home buyers in 2010 (in years)

42.8

Share of India's population with access to household toilet in 2014-15 (in %)

88.9

Share of India's population with access to household toilet in 2018-19 (in %)

(Source: UN, Statista, Anarock)

Financial overview (Based on the standalone financial performance)

Analysis of the profit and loss statement

Revenues: Revenues from operations were clocked at ₹1,59,525 Lakhs in 2019-20, compared to ₹1,69,555 Lakhs in 2018-19. Other income of the Company at ₹1,710 Lakhs accounted for 1.1% of the Company's revenues, reflecting the Company's dependence on its core business.

Expenses: Total expenses of the Company decreased by 3.2% from ₹1,63,798 Lakhs in 2018-19 to ₹1,58,500 Lakhs due to a lower scale of operations. Material costs (including purchases of traded goods), accounting for 64.6% of the Company's revenues, decreased by 2.6% from ₹1,05,823 Lakhs in 2018-19 to ₹1,03,080 Lakhs in 2019-20. Employee expenses, accounting for a 10.9% of the Company's revenues, increased by 3.6% from ₹16,718 Lakhs in 2018-19 to ₹17,318 Lakhs in 2019-20.

Analysis of the Balance Sheet

Sources of funds

- The capital employed by the Company stood at ₹92,307 Lakhs as on March 31, 2020 as compared to ₹89,306 Lakhs as on March 31, 2019. Return on capital employed, a measurement of returns derived from every rupee invested in the business, decreased due to lower scale and profitability.
- The net worth of the Company decreased from ₹59,209 Lakhs as on March 31, 2019 to ₹58,375 Lakhs as on March 31, 2020 owing to the payment of dividends. The Company's equity share capital comprised 4,23,79,426 equity shares of ₹2 each during the year under review.
- Long-term debt of the Company decreased by 24.4% to ₹9,635 Lakhs as on March 31, 2020 owing to scheduled repayment of loans. The long-term debt-equity ratio of the Company stood at 0.17x in 2019-20

compared to 0.2x in 2018-19. Finance cost decreased by 16.5% from ₹2,612 Lakhs in 2018-19 to ₹2,181 Lakhs in 2019-20 primarily on account of reduction in debt and a lower cost of funds.

Applications of funds

- Fixed assets (gross) of the Company increased by 18.0% from ₹46,579 Lakhs as on March 31, 2019 to ₹54,964 Lakhs as on March 31, 2020 owing to an increase in plant and machinery attributed to the refurbishment of one line at the Kadi plant and other maintenance capex and also recognition of right of use assets. Depreciation and amortisation increased by 36.9% from ₹3,100 Lakhs in 2018-19 to ₹4,244 Lakhs in 2019-20.

Investments

- Non-current investments of the Company increased from ₹6,368 Lakhs as on March 31, 2019 to ₹6,468 Lakhs as on March 31, 2020.

Working capital management

- Current assets of the Company decreased by 24.3% from ₹78,245 Lakhs as on March

31, 2019 to ₹59,196 Lakhs as on March 31, 2020 primarily on account of better credit control.

- Inventories including raw materials, work-in-progress and finished goods, among others, increased by 18.4% from ₹16,206 Lakhs as on March 31, 2019 to ₹19,195 Lakhs as on March 31, 2020. The inventory cycle stood at 44 days of turnover equivalent in 2019-20 compared to 35 days of turnover equivalent in 2018-19 owing to inventory stocking during the pandemic.
- The Company improved its debtor turnover cycle from 89 days of turnover equivalent in 2018-19 to 63 days in 2019-20 by reducing the amount from ₹41,008 Lakhs in 2018-19 to 27,301 Lakhs in 2019-20.
- Loans and advances made by the Company decreased by 54.9% from ₹6,720 Lakhs as on March 31, 2019 to ₹3,030 Lakhs.

Margins

- The EBIDTA margin of the Company declined by 210 bps from 6.8% in 2018-19 to 4.7% while the net profit margin of the Company declined by 190 basis points.

Key numbers

Particulars	2019-20	2018-19
Debtors' cycle (days)	63	89
Inventory cycle (days)	44	35
Interest coverage ratio (x)	2.3	4.0
Current ratio (x)	1.6	1.6
EBIDTA/Turnover (%)	4.7	6.8
Debt-equity ratio (x)	0.48	0.48
Net profit margin (%)	0.8	2.7
Return on Net Worth (%)	2.3	8.0
Book value per share (₹)	137.74	139.71
Earnings per share (₹)	3.1	10.9

(Source: IMF)

Human resource review

Human resource has become increasingly important for the ceramic and bathware sector owing to the limited availability of skilled manpower in the sector. Somany, being one of the most established brands in the industry, focused on creating a strong team equipped to address a diverse range of competencies,

The Company adopted best practices dovetailed with the creation of Standard Operating Procedure (SOP) for most functions, resulting in functional consistency. Senior management attrition declined to around 3%. The Company pioneered the launch of an e-learning portal within the industry; it revamped e-learning modules that catalysed learning. Besides, during the year under review, the Company participated in 'Significant excellence in HR practices' award and was recognised as a company with 'Significant excellence in HR practices' by CII.

The Company conceptualised a cloud-based software to manage key result areas that automated processes, decreased manual

intervention and increased process efficiency.

Somany instituted a strong internal audit committee and an internal control system to identify potential risks and report them to the Board on a quarterly basis. The Board instituted a specific Audit Committee comprising Independent Directors, ensuring increased transparency and zero-manipulation.

The Company focused on arranging executive committee meetings on a weekly basis, wherein the committee discussed potential risks and mitigation strategies. This committee also discussed compliance issues, that could pose to be a risk.

How Somany is fighting the COVID impact

With the outbreak of COVID-19 across the world, there was a disruption in global trade and economy. To control the increasing population of affected people in the country, India went into a lockdown. The last 10-15 days of the fiscal 2019-20 were affected due to this lockdown, which resulted in a significant sales impact particularly in the fourth quarter of the year, wherein sales declined by 31% with a corresponding impact on profitability.

Somany believes that communication is the key under these difficult circumstances. The Company took proactive measures to communicate with employees during this phase. The Company focused on safeguarding the Company's and stakeholders' interests.

Internal control systems and their adequacy

The Company has a set of robust control systems in place to streamline monitoring, reporting and compliance. These processes have been developed and strengthened over

time with the key focus being on governance, alignment of processes to new regulations, audit reviews to determine key improvement areas and assessment of risks to develop

mitigation procedures. The Company will continuously work on enhancing analytics, broaden audit coverage and check exceptions.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws

and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operation include among others, economic conditions

affecting demand/supply and price conditions, variation in prices of raw materials, changes in Government regulations, tax regimes, economic developments and other incidental factors.

How we manage risks at Somany

Somany is a five-decade old company with the agility of a start-up.



Risk management structure

Risk identification	Risk assessment	Mitigation	Monitoring
The Company focuses on identifying risks before they transform into threat.	The Company analyses risks and tries to identify impacts they might have on the business.	The Company devises the right strategy to mitigate these risks and counter the threats posed by the risks.	The Company maintains constant supervision on the identified risks and mitigation initiatives.

Risk management structure

Over the years, the tiles and bathware sector has been marked by various challenges. Against this backdrop, risk management has gained traction and become more important for companies operating in this space over the years.

On this front, Somany is one of few companies in the industry with a narrowed focus on risk

management. The Company focused on identifying potential risks and controlling exposure by devising the right mitigation strategies. In 2019-20, Somany continued to strengthen its comprehensive system to promptly identify risks, assess their materiality and take measures to minimise likelihood and losses.

Risk management was applied across all management levels and functional areas. Risk management roles were distributed across the Board of Directors and the Audit Committee, which comprise Independent Directors.

Major risks in 2019-20

External

Risks	Potential consequences	External stimulus and our strategic response
Economy risk: The Company's performance could be adversely affected in the event of an economic slowdown.	<ul style="list-style-type: none"> Regulatory uncertainty Disruption in cash flows Adverse impact on our business plans Adverse impact of market capitalisation Increased operational costs 	<ul style="list-style-type: none"> On the backdrop of a global economic crisis, India emerged as one of the only few economies recording positive growth, vis a vis the other countries whose GDP has de-grown. The shift of focus from China has opened new opportunities for the tiles and bathware sector in India, which the Company plans to leverage to its advantage.
Crude price risk: Fluctuation in crude oil prices could affect the profitability of the business.	<ul style="list-style-type: none"> Increased costs Depleted margins 	<ul style="list-style-type: none"> The last 3 months of 2019-20 saw a moderation in crude oil prices that helped bring down costs. Energy accounts for ~26% of the total cost for Somany. The Company mitigated the challenge by blending alternate and cheaper fuel, optimising costs.
Export risk: The inability to sell in its major global markets and expand footprint to newer geographies affect both topline and bottomline of a company.	<ul style="list-style-type: none"> Depleted margins Losing market share Fall in contribution of export in total revenues 	<ul style="list-style-type: none"> The year saw an anti-dumping duty being placed on the GCC markets. The Company mitigated the challenge by focusing on different markets with most countries looking for an alternate market to buy tiles from over China.
Competition and price risk: The inability to compete on prices owing to lower prices from Morbi, affecting the Company's profitability.	<ul style="list-style-type: none"> Loss in domestic market share Lower realisations Fall in demand 	<ul style="list-style-type: none"> The Company operates in a sector driven by unorganised players. Against this backdrop, the Company changed its portfolio mix and increased the proportion of value-added products in the portfolio.

Internal

Risks	Potential consequences	External stimulus and our strategic response
Fraud risk: Lack of transparency in processes and payments can affect the Company's business in the long run.	<ul style="list-style-type: none"> Regulatory uncertainty Unaccounted losses Fraud 	<ul style="list-style-type: none"> The Company rationalised the number of authorised signatories for banking operations. The Company implemented a centralised payment system with a robust dual authorisation process for better financial control.
Broking risk: Fluctuation in stock markets can affect investments by the Company and result in huge losses.	<ul style="list-style-type: none"> Loss in Treasury operations Risk of being leveraged 	<ul style="list-style-type: none"> The Company discontinued its treasury investments and deployed incremental surpluses in the business. During the COVID-19 slowdown, the Company remained frugal with regard to borrowed capital.

The impact of COVID-19 on the economy and Somany Ceramics

The outbreak of the pandemic




The last quarter of the year 2019-20 saw the spread of the COVID-19 virus, which was declared as a global pandemic by World Health Organisation (WHO) in late March 2020. This pandemic disrupted the global economy and consumer sentiment.

The response

To contain the pandemic and stop the rapid spread of the virus, India went into a nationwide lockdown in late March 2020, like most governments across the world. This resulted in the shutting down of offices, factories and public places with immediate effect and

sealing the international and state borders, ensuring no international, inter-state and intra-state movement.

How Somany protected the interest of stakeholders during the COVID-19 pandemic

 <p>Customers</p>	<p>Impact</p> <ul style="list-style-type: none"> • Demand from institutional customers was affected, owing to their plant and office shutdowns. • Not being an essential commodity, the demand for tiles was deferred 	<p>Responses</p> <ul style="list-style-type: none"> • The Company provided a sanitised workplace and a COVID-free distribution network with proper checks in place
 <p>Employees</p>	<p>Impact</p> <ul style="list-style-type: none"> • Safety of employees became primary • Keeping employees motivated was necessary 	<p>Responses</p> <ul style="list-style-type: none"> • The Company ensured a COVID-free workplace with proper thermal checks and social distancing. • The Company took proactive measures to communicate with employees on precautions and preparedness. Also facilitated on-line consulting through an empaneled doctor
 <p>Investors</p>	<p>Impact</p> <ul style="list-style-type: none"> • Protecting the bottomline was a challenge • There was a need to protect Balance Sheet integrity 	<p>Responses</p> <ul style="list-style-type: none"> • The Company sustained focus on protecting cash flows • All capital expenditure was deferred



The COVID risk

The last 15-20 days of the last quarter of 2019-20 was marked by stagnant operations and global trade disruption owing to the world-wide lockdown in various countries to contain the number of cases of COVID-19.

This affected the operations of Somany

like any other manufacturing company. The Company took its time and devised a strategy to convert this challenge into an opportunity. The Company ensured its processes are well sanitised and COVID-free and ensures safe working environment for people and further

focused on a COVID-free distribution network as well. The Company branded its products as COVID-free and is fairly optimistic of its prospects during these tough times.

 <p>Community</p>	<p style="text-align: center;">Impact</p> <ul style="list-style-type: none"> • The Company's plants are located in rural areas where communities were affected due to the lockdown • The local communities needed to be educated on viral precaution 	<p style="text-align: center;">Responses</p> <ul style="list-style-type: none"> • The Company took necessary steps to secure adequate food for the needy in the plant's vicinity • The Company made arrangements of necessary medicines including immunity boosters to be provided to the local people
 <p>Suppliers</p>	<p style="text-align: center;">Impact</p> <ul style="list-style-type: none"> • The country experienced trade disruption • Material dispatch or receipt was affected 	<p style="text-align: center;">Responses</p> <ul style="list-style-type: none"> • While maintaining the right balance of cash flow, the Company paid to its vendors on time in order to address their solvency. • The Company maintained adequate inventory, which addressed business resumption post lockdown.

Board's Report

Dear Members,

Yours Directors have pleasure in presenting the 52nd Annual Report together with the Annual Audited Financial Statements of the Company for the year ended March 31, 2020.

FINANCIAL SUMMARY

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	1,59,525.06	1,69,554.98	1,61,007.10	1,71,505.40
Profit Before Depreciation, Interest and Taxes	9,160.13	13,638.62	14,412.30	18,251.03
Profit before Tax (after Exceptional item)	117.02	7,185.51	958.03	8,009.51
Tax Expenses	(1,209.20)	2,555.84	(992.25)	2,684.46
Profit After Tax	1,326.22	4,629.67	1,950.28	5,325.05
Non-controlling Interests	-	-	450.03	693.39
Profit After Tax (attributable to controlling interest)	1,326.22	4,629.67	1,500.25	4,631.66
Transferred to General Reserve	-	-	-	-

FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

The year under review (FY20) continued to be a challenging year for your Company because of the overall economic slowdown. However, the year was further impacted due to the outbreak of the novel corona virus (COVID-19) in March 2020 in the country. This resulted in a significant impact on the financial performance of your Company in general and for the quarter ended March 31, 2020 in particular.

Due to this unprecedented global pandemic, our revenue decreased to ₹1,59,525.06 Lakhs in FY20 from ₹1,69,554.98 Lakhs in FY19. The Earnings before Interest, Depreciation and Tax (EBIDTA), Profit before Tax (PBT), excluding Exceptional items and Profit after Tax (PAT) for the year under review, were ₹9,160.13 Lakhs, ₹2,735.28 Lakhs and ₹1,326.22 Lakhs respectively. Compared to the previous fiscal, EBITDA came down by 32.8% mainly due to lower sales; PBT (before Exceptional Item) reduced by 65.4% on account of lower sales and higher depreciation on a larger gross block. The Company's PAT reduced by 71.3% compared to the previous year, standing at ₹1,326.22 Lakhs.

On the Balance Sheet front, your Company's Net Worth decreased to ₹58,374.76 Lakhs in FY20 compared to ₹59,208.80 Lakhs in FY19. The

Company's total debt remained at similar level at ₹28,051.63 Lakhs compared to ₹28,398.19 Lakhs during FY20. The Net block (including capital work-in-progress) of your Company increased to ₹44,137.22 Lakhs during FY20 as compared to ₹39,640.39 Lakhs during FY19, primarily due to the investments made in the plant and equipment and recognition of right of use assets. The long-term investment increased marginally to ₹6,468.01 Lakhs in FY20 from ₹6,368.01 Lakhs in FY19 due to additional investment in a subsidiary. The Company's net current assets decreased to ₹39,322.70 Lakhs during FY20 from ₹44,482.28 Lakhs during FY19, mainly due to a decrease in total receivables.

GLOBAL HEALTH PANDEMIC FROM COVID-19

In view of the Novel Coronavirus pandemic (COVID-19), social distancing was enforced, as a result of which our factories, offices and showrooms operated with minimal staff. In keeping with its employee-safety first approach, the Company instituted measures to trace all employees and assure them of their well-being. Our HR and IT teams reacted with speed and efficiency and leveraged technology to shift the workforce to an entirely new 'work-from-home' model wherever practicable. Proactive preparations were done in our

work locations during this transition to ensure that our factories, offices and showrooms remained safe.

Policy changes related to working from home and IT infrastructure support were rolled out to help our employees shift to this new work paradigm. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation.

Several initiatives were rolled out to make teams and managers effective while working from different locations. Our HR launched a series of initiatives related to COVID-19 awareness and a new remote way of working, with a focus on the health and wellness of employees. The Company has been implementing phased and safe return-to-work place as per the relaxations during the lockdown.

As a responsible member of the communities that it operates in, the Company contributed to various COVID-19 relief and monitoring programs.

There was a significant impact, on account of demand destruction, in the short term. However, the management believes that there may not be a significant impact of Covid-19 pandemic on the financial position and performance of the Company in the long term. Further, the Company's focus on liquidity and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment.

CORPORATE HIGHLIGHTS

Access to Capacity

During the year under review, your Company had access to ~63 million square meters (msm) of tiles, mainly through its own plants (26.28 msm), through subsidiaries/associates (26.39 msm) and through other outsourced partners (~10 msm). In the Bathware segment, your Company had manufacturing capacity of ~1.15 million pieces per annum of sanitaryware and ~0.65 million pieces per annum of bath fitting items in its subsidiaries.

Capital Expenditure

Your Company continued to invest in expanding and upgrading its plant and machinery and infrastructure. During the year under review, one old line at Kadi plat was revamped completely, resulting in a conversion of existing low value-added capacity into value-added. Gross block increased by ₹10109.50 Lakhs (previous year ₹3,682.75 Lakhs) on account of addition in fixed assets.

Branding and Distribution

Your company maintained a positive brand index. Mr. Salman Khan was

introduced as Brand ambassador and a new TV campaign was launched with a tagline 'Zameen Se Judey' on August 31, 2019 and subsequently three TV campaigns were launched across the year, each spanning 4-5 weeks. The TV campaigns had spots aired across leading GEC – Star Plus, Colors, Sony, News – Aajtak, ABP News, News 18 India, Zee News and regional news channels Asianet News, Polimer News, Mathrubhumi News and many more.

To grab more eyeballs, certain spots were taken in key prime time shows like Kapil Sharma Show, KBC and Bigg Boss. Additionally, we sponsored big ticket properties in Hindi News like 'Special Report' and 'DNA'.

In print advertising more than 130 print advertisements were taken in FY 2019-20. The average circulation being 75000+ across various publications namely Architectural Digest, BBC Good Homes, Elle Décor, India Today Homes, Jagran Sakhi, Femina, Forbes, Veedu and many more.

In line with changing consumer behaviour, your company updated and maintained all SKUs on the Somany app and website. It reached out to customers through push notifications and added new features in the tile visualizer. Further, the company engaged with consumers on digital platforms through banner ads on high traffic websites like YouTube, Cricbuzz, Zee News and NDTV. Along with this, sponsored ads were run on search and display networks (campaign based, brand-based and product-based). The Google My Business (Somany Experience Center listing on Google) and the Zameen Se Judey Campaign was promoted on YouTube, Social Media, Website and other online platforms. Lead generation campaigns were run on Indiamart along with showroom walkthroughs.

Moving ahead in strengthening the distribution network and expanding your Company's footprints, we now have 362 franchise outlets. Your Company recently opened company-owned-company-operated (COCO) at Morbi spread over 20,000-sq ft, comprising the display of the entire Tiles and Bathware products.

For brand visibility the company covered approximately 2000 dealers and more than 7000 sub dealers counters with ZSJ campaign Branding, POSM and standees. Your company conducted several dealer meets including new product launch across locations. To capture customers and create top-of-mind recall, airport advertising was continued .

Your company launched Water Heaters in the Bathware division during the year, which got a good response from the market. The range comprised varied offerings like Instant water heaters and Storage water heaters with capacity ranging from 3 to 50 litres.

INDIAN ECONOMY & INDUSTRY SCENARIO AND OUTLOOK

Economy

During FY20 overall economic growth remained under pressure, which was aggravated due to the outbreak of COVID-19 towards the end of financial year. The Indian economy slowed to 4.2% growth during the year compared to 6.1% growth in FY19. However, the government took numerous measures like the announcement of various infrastructure projects (National Infrastructure Pipeline), capital infusion into the banking sector and reduction in corporate tax rates etc. to counter the slowdown.

Going forward, the economic scenario likely to be impacted in short term even though the government has taken various steps in terms of stimulus and economic reforms to boost the economy against the COVID-19 effect including the ambitious mission of self-reliant India (Atmanirbhar Bharat).

Industry

Manufacturers within the tiles, sanitaryware and bathroom fittings industry have been facing continuous a challenge due to sluggish demand and muted performance. The proposed improvements towards the implementation of GST by implementing e-invoicing could act as a game-changer and consequently reduce tax evasion by unorganized players and aid the market share of organised players by creating a level playing field.

Although the short-term outlook seems gloomy your company is optimistic of medium to long term prospects in view of several government initiatives for encouraging infrastructure development and favourable demographics including increasing urbanization expected to drive the offtake in the tiles, sanitaryware and bathroom fittings industry .

DIVIDEND

During the year, based on the Company's performance, your Board of Directors declared and paid interim dividend of 100% i.e. ₹2.00 per equity share on March 13, 2020. The Board do not recommend any final dividend for the Financial Year 2019-20.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend declared by the Company is as per the dividend distribution policy adopted by the Company in the year 2016-17 which is as follows:

- The Company was incorporated on January 20, 1968 and started its commercial production in 1972. The company has been paying dividend continuously since 1974 except for the year 2002-03 to 2006-07.
- Dividend pay-out is decided on the basis of macro-economic factors, expected future cash flows and future capital needs for expansion of production capacities of the company from time to time and keeping in view contingencies for meeting unforeseen financial obligation of the Company.

The Dividend Distribution policy is also available on the website of the Company at the web link:

https://www.somanyceramics.com/pub/media/investorrelation/d/i/dividend_distribution_policy_scl.pdf

UTILISATION OF PROCEEDS ON ISSUE OF SHARES

Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7,170.66 Lakhs (including issue expenses of ₹307.34 Lakhs) for the purpose the funds were so raised and balance ₹4,829.31 Lakhs has been temporarily invested mainly in debt instruments/funds.

PUBLIC DEPOSITS

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

SCHEME OF AMALGAMATION

A Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited with Somany Ceramics Limited ("the Company") and their respective Shareholders from the appointed date April 1, 2018 was filed with National Company Law Tribunal, Kolkata ("NCLT") in the previous year. The said scheme was sanctioned by NCLT on September 4, 2019, accordingly impact of the same has been considered in the financials of current year. Further, figures for the previous year have been recasted giving effect to the said scheme w.e.f. above appointed date, which has no material impact.

Further the Board at its meeting held on August 22, 2019 approved scheme of amalgamation of Schablona India Limited with the company from the appointed date April 1, 2019. SEBI has approved the said scheme. Necessary application is in process to file before Hon'ble National Company Law Tribunal (NCLT) for its approval to the said scheme.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

During the year, the Board of Directors reviewed the affairs of its subsidiaries and associate companies. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company, incorporating financials of all its subsidiaries and associate companies, which forms part of this Annual Report.

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

The statement required under Section 134 of the Companies Act, 2013 in respect of the subsidiary companies, associates and joint venture is provided

at Annexure – 1 to this report, which comprises performance and financial position of each of subsidiaries, associates and joint venture.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions entered with Related Parties during the financial year were on arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2, is not required. Your directors draw attention of the shareholders to the financial statements which set out related party disclosures.

Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website www.somanyceramics.com at the web link: https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements (Standalone) forming a part of this annual report.

RISK MANAGEMENT

The Company has Risk Management Systems in place in accordance to Section 134(3)(n) of the Companies Act, 2013. Risk Management Policy of the Company is also in place and necessary steps have been taken from time to time to strengthen it further. The Risk Management process is followed to identify, assess and prioritise risks that need to be minimised, monitored and mitigated is quite elaborate. These measures help in reducing and controlling the impact of adverse events and maximise the realisation of opportunities. Major risks are identified systematically and mitigated on a continuous basis. A few of the identified risks pertain to competitive intensity and cost volatility.

During the year, Mentor Financial Services Private Limited ("Mentor") issued a cheque of ₹2618.26 Lakhs, against amounts due. This cheque bounced owing to insufficient funds. Your Company has issued demand notices to Mentor, its directors and authorized signatories for repayment. In view of the continued default, the Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Company has accounted for the cheque bouncing event in the financial statements.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

The Company is required to transfer dividends which remained unpaid/unclaimed for a period of seven years to the IEPF established by the Central Government. The unpaid/ unclaimed dividend for the year ended March 31,

2013 is due for transfer to IEPF on or after October 7, 2020.

During the period under review, the Company transferred 15,065 Equity shares of ₹2/- each, dividends of which remained unclaimed for a consecutive seven years i.e. from 2011-12 to 2018-19, to Investor Education and Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

In requirement of para 9 of revised Secretarial Standards on Board Meeting i.e. SS-1, your Directors states that they have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

AUDITORS' REPORT

All the items on which the Auditors' have commented in their report are self-explanatory and suitably explained in the Notes to the Accounts. The Auditors' Report to the Shareholders for the year under review does not contain any qualifications, reservation or adverse remark or disclaimer.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed with proper explanation and there are no material departures from the same;
- b) The Directors' had selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and are operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSOLIDATED FINANCIAL RESULTS

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

The consolidated net profit of your Company was ₹1,500.25 Lakhs in the year under review compared to ₹4,631.66 Lakhs in the corresponding previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ghanshyam Girdharbhai Trivedi, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. R. K. Daga and Dr. Y. K. Alagh, Independent Directors of the Company ceased to be the directors of the Company w.e.f. April 1, 2019, owing to attaining the age of 75 years. The Board places on record contributions made during their tenure of directorship in the Company.

Mr. Tuljaram Maheshwari, Chief Executive Officer and Key Managerial Personnel of the Company resigned from the Company w.e.f. April 16, 2019.

During the period under review, the Company has appointed Mr. Vineet Agarwal, as an Independent Director and Mr. Tuljaram Maheshwari, Non-Executive Non Independent Director both with effect from May 1, 2019.

Mr. Tuljaram Maheshwari, Non- Executive Non Independent Director of the Company resigned from the Directorship of the Company w.e.f. June 9, 2020. The Board places on record contribution made during his tenure of Directorship in the Company.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also a declaration Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, amended as on date.

The Independent Director of the company have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Further, as required under section 150(1) of the Companies Act, 2013 they have registered themselves as Independent Directors in the independent director data bank. They shall pass the proficiency self-assessment test in due course in terms of Companies (Appointment and Qualifications of Directors), Rules 2014 (as amended).

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 evaluation is carried out by the Board, Nomination Remuneration Committee (NRC) and by the

Independent Directors. The Board has carried out an annual performance evaluation of its own, individual Directors including Independent Directors (excluding the director being evaluated) and its Committees.

Board evaluation was carried out on the basis of questionnaire, prepared after considering various inputs received from the Directors, covering various aspects revealing the efficiency of the Board's functioning such as Development of suitable strategies and business plans, size, structure and expertise of the Board and their efforts to learn about the Company and its business, obligations and governance.

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

Independent Directors had carried out performance evaluation of Non-Independent Directors in their separate meeting, the Board as a whole and performance evaluation of Chairman was carried out, taking into account the views of Executive and Non-Executive Directors.

The quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties were also evaluated in the said meeting.

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

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

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

NOMINATION AND REMUNERATION POLICY

Your Company has formulated the nomination and remuneration policy for its Directors, Key Managerial Personnel and other Employees of the Company. This Policy sets out the guiding principles for Nomination and Remuneration Committee of the Company for recommending to the Board the remuneration of the directors, key managerial personnel, Senior

Management and other employees of the Company.

The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board their appointment based upon the need of the Company.

Nomination and Remuneration policy covered the Nomination/ appointment of Directors, Key Managerial Personnel and Senior Management and other employees of the Company, Remuneration to Directors and Key Managerial Personnel, Remuneration to Executive Directors and Key Managerial Personnel of the Company, Remuneration to Non-Executive Directors and Remuneration to Senior Management and other employees of the Company.

The Nomination and Remuneration policy is available for the stakeholders at the website of the Company https://www.somanyceramics.com/pub/media/investorrelation/n/o/nomination_and_remuneration_policy_revised.pdf

MEETINGS OF THE BOARD

Ten (10) meetings of the Board of Directors, Three (3) meetings of Nomination and Remuneration Committee, Four (4) meetings of Stakeholders Relationship Committee and Five (5) meetings of Audit Committee were held during the year under review, the details of which are given in the Corporate Governance Report forming part of this Annual Report.

AUDIT COMMITTEE

Mr. R. K. Daga and Dr. Y. K. Alagh, Independent Directors ceased to be the directors of the Company w.e.f. April 1, 2019 owing to attaining age of 75 years..

During the year under review, the Audit Committee was reconstituted w.e.f. May 1, 2019 by the Board of Directors in their meeting dated April 30, 2019, and Mr. Rameshwar Singh Thakur was appointed as the Chairman of the Committee and Mr. Vineet Agarwal was inducted as member of the Committee.

The Audit Committee was again reconstituted by the Board of Directors in their meeting held on November 6, 2019 upon resignation of Mr. Siddharath Bindra from membership of Audit Committee. Thus, the present constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi are other members of the Audit Committee.

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

AUDITORS

M/s. Singhi & Co., Chartered Accountants, having Firm Registration No.302049E were appointed as Statutory Auditors of the Company for a period of 5 (Five) consecutive years at the 49th Annual General Meeting

(AGM) held on August 25, 2017, to hold office till the conclusion of the 54th AGM of the Company, subject to ratification of their appointment at every AGM, in terms of first proviso to Section 139 of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014.

Further, the members of the Company ratified the appointment of the Statutory Auditor for their remaining term of 4 consecutive years i.e. from the conclusion of the 50th Annual General Meeting till the conclusion of the 54th Annual General Meeting of the Company without any further ratification by the Members in terms of the provisions of the Companies Act, 2013 at the 50th Annual General Meeting of the Company.

SECRETARIAL AUDITOR AND THEIR REPORT

The Board had appointed M/s Pinchaa & Co., Company Secretaries having registration number P2016RJ051800 to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed and marked as Annexure – 2 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure-3 to this report and is also available in on the website of the Company at <https://www.somanyceramics.com>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company implemented Corporate Social Responsibility Policy in accordance with the provision of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 on recommendation of Corporate Social Responsibility Committee (CSR Committee) and approval of the Board of Directors of the Company.

CSR Committee undertakes CSR activities in accordance with its Corporate Social Responsibility Policy (CSR Policy) uploaded on the Company's website at [www.somanyceramics.com](http://www.somanyceramics.com/pub/media/investorrelation/s/c/scl-corporate-social-responsibility-policy.pdf) at the web link: <https://www.somanyceramics.com/pub/media/investorrelation/s/c/scl-corporate-social-responsibility-policy.pdf>

The CSR Committee comprises of four members namely Mr. Abhishek Somany, Managing Director is Chairman of the Committee and Mr. Salil Singhal, Mr. Siddharath Bindra and Mr. Ravinder Nath Independent Directors of the Company are other members of the Committee.

The Company works primarily through H.L Somany Foundation, to support projects in the areas of protecting / conserving national heritage, restoration of historical sites, promotion of art and culture, animal welfare, destitute care and rehabilitation, environmental sustainability and ecological balance, promoting education, enhancing vocational skills and promoting healthcare including preventive health care.

In fiscal 2020, the Company's CSR efforts included COVID-19 relief also. The 2% of the average net profit of the Company, made during the three immediately preceding financial years comes out to be ₹198.42 Lakhs. A report on CSR activities is provided in Annexure – 4 to this report.

INTERNAL CONTROL SYSTEMS

The Company has an effective Internal Control System in place considering the size, scale and complexity of operations.

The internal control is supplemented by the detailed internal audit programme, reviewed by management and by the Audit Committee and documented Policies, SOPs, Guidelines and Procedures.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating systems, accounting procedures and policies at all locations of the company.

INTERNAL FINANCIAL CONTROL

The Company has an adequate Internal Financial Control System in accordance with the Section 134(5)(e) of the Companies Act 2013 for ensuring the orderly and efficient conduct of its business including adherence to company policies safeguarding of its assets, prevention & deduction of frauds and errors, accuracy & completeness of accounting records and Timely preparation of reliable financial information.

The standard controls defined in the IFC framework are reviewed by the Internal auditors and management concurrently to strengthen the Internal control system of the company by way of formulating new guidelines and incorporating necessary changes in the SOP.

HUMAN RESOURCE (HR)

In the past year, Somany invested efforts in strengthening its employer brand by consistently improvising its various people practices, creating e-channels for information sharing and established its employer brand presence by participating and by winning one of the India's most prestigious award: Significant Excellence in HR practices by Confederation of Indian Industry (CII). This hard-earned recognition not only gave us confidence and trust in our people philosophy and processes but also encouraged us to reach milestones of Somany's journey of people excellence. As people are the real essence of our competitiveness, this award has indeed taken us very closer to our long –aspired vision of Being the best employer in the Ceramics Industry'. This moment hasn't come in a few days, months or years. This came after an era of consistent transformation led by our best-in-class talent force, their innovative mind-sets, technology, learning excellence and strong focus on our team's common vision.

We deeply analysed the demand of business and aligned our L&D goals to address the existing skill gaps and business requirements. Regressive

product know-how building through well-planned online learning series, made our learning program receptive and impactful. Technology acted as a great business tool by enabling us to offer latest product updates or new business strategies to our large multi-locational employee base. With our increasing focus on data collection and analysis, we have been able to develop key HR metrics based on business goals. These metrics display clear outcomes of our efforts in terms of business productivity, process effectiveness, individual performance and overall business results.

Based on valuable eye-opening business insights the Big Data generates, we will invest more time and efforts in enriching awareness and insights of modern analytical tools and approaches in future. Going ahead in the near future, we look forward for building an integrated HR module, where each incoming and outgoing data of HR processes is seamlessly connecting with the business strategy and finally merging with business outcomes.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and enable direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any, reported under this Policy are appropriately and expeditiously investigated by the Chairman. The details of the Whistle Blower Policy is also explained in the Corporate Governance Report and is also available on the website of the Company at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/s/c/scL_whistle_blower_policy-revised.pdf

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under

Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at Annexure – 6.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Board's Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

CORPORATE GOVERNANCE

Your Company has been following the principles and practices of good Corporate Governance. A separate report on Corporate Governance and a certificate from the Statutory Auditors confirming compliance with the

Corporate Governance requirements forms part of this Report as Annexure – 7.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company continue to follow robust policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

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

During the period under review, the Company has not received any complaint under this Policy.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L40200WB1968PLC224116			
2.	Name of the Company	Somany Ceramics Limited			
3.	Registered address	2, Red Cross Place, Kolkata - 700 001			
4.	Website	www.somanyceramics.com			
5.	E-mail id	sclinvestors@somanyceramics.com			
6.	Financial Year reported	April 1, 2019 to March 31, 2020			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Code as per NIC – 23929 - Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware and Bath Fittings.			
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Ceramic/Vitrified Wall & Floor Tiles, Sanitaryware & Bath Fittings.			
9.	Total number of locations where business activity is undertaken by the Company	A	Number of International Locations	NIL	
		B	Number of National Locations		
		i	Manufacturing Locations		
			Own	2	
			Subsidiaries/Associates/JVs	12	
		ii	Sales Depot	6	
			Showrooms/ Display centers	328	
		iv	Registered Office	1	
			Corporate Office	1	
10.	Markets served by the Company	Local	State	National	International
		→	→	→	→

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Paid up Capital	₹ 847.59 Lakhs
2.	Total Turnover	₹ 1,59,525.06 Lakhs
3.	Total profit after taxes	₹ 1,326.22 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 201.16 Lakhs (2% of the average net profit after taxes in the previous three financial year) towards CSR activities during the year.
5.	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> • Healthcare • Skill Development • Promoting Education including special education • Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund • Animal Welfare • Support to Charities/ NGOs

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	The Company has nine subsidiaries and three Associates.
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Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	No direct participation. However, the Company encourages its subsidiaries to adopt its policies and practices.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: OTHER DETAILS

1. Details of Director/Directors responsible for Business Responsibility Report (BR)

a) Details of Director responsible for implementation of the BR policy/policies

1. DIN : 00021423
2. Name: Mr. Shreekant Somany
3. Designation: Chairman and Managing Director

b) Details of the BR Head

S. No.	Particulars	Details
1.	DIN (if Applicable)	NA
2.	Name	Mr. Saikat Mukhopadhyay
3.	Designation	Chief Financial Officer
4.	Telephone number	0120-4627900
5.	E-mail id	saikat.mukhopadhyay@somanyceramics.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies.

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

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Company has adopted various national and international standards viz: 1 ISO 9001: 2015 for Quality Management System 2 ISO 14001: 2015 for Environment Management System 3 BS OHSAS 18001: 2007 Occupational Health and Safety Management System. 4 ISO 22000: 2005 for Food Safety Management System.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.somanyceramics.com/investor-relation/?ajax=1&category=21								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been posted on the Company's website for information of all stakeholders.								
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

a) If answer to the question at serial number no. 1 against any principle is 'No', explain why:

(Tick up to 2 options): N/A

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

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 assessment is an ongoing activity and is an integral part of corporate functions.

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

Yes, the Company publishes Business Responsibility (BR) Report on an annual basis and forms part of the Annual Report. This BR Report is also uploaded on the Company's website i.e www.somanyceramics.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, The Company's policy relating to ethics, bribery and corruption serves as the guiding philosophy for all employees of the company as well as subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year 10 complaints were received from the investors. All these investor's complaints were properly attended and necessary actions were taken. In addition, the company received customer complaints which were addressed suitably from time to time.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a. Hydrophobic Ceramic Tile
 - b. Germ Shield VC Tile
 - c. Training and Certification to Masons through Tile Master Programme
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
 - b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Energy efficient process:

- i. (1) During the period under review, Solar Plant generated more than 10.37 Lakhs units and optimised use of the renewable energy. (2) Conversion of higher capacity (KW) motors with Lower Capacity (KW) motors (3) Installation of LED lights (4) Installation of variable frequency drives in fans, blowers & pumps of kilns & cooling towers (5) Stopped idle running of some lines/equipment's by automation (6) optimization of Grid power for power cost reduction and (7) optimization of power trading for the power cost reduction
- ii. Energy efficient motors used in Kilns & Horizontal Dryers to reduce electrical power consumption.

- iii. Saved energy consumption by reducing the maximum working air pressure of air compressors.

- iv. Industrial Effluent (Water): Treatment of all effluents through ETP's to separate the water and solids. The Solid waste is used as a raw material in the process and water is reused in the process.

- v. Domestic Effluents: The domestic effluent is treated through STP unit to remove all the impurities (COD & BOD) and to reuse the water in process. Sludge generated is used as a manure for gardening. Our Industry is zero water discharge.

- vi. Process Waste: All in-process wastes are recycled and re-used in process.

The overall reduction cannot be quantified keeping in view the several activities done by the company for energy conservation.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The sourcing practices of the Company are devised to achieve environmental sustainability, cost reduction and social interest. The criteria used for vendor selection including transportation are cost effective with high quality standard and are eco-friendly. The selection of the vendors is done on the principles of sustainability. It is ensured that vendors adopt the best human resource practices and take care of global warming.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company accords priority to local suppliers of goods and services. The Company takes steps for capacity building of local and small vendors. The Company's contractors who supply labour and transportation services for plant operations employ workmen from nearby communities. The training is provided to workforce for occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company's products are Ceramics/Vitrified wall & floor tiles and the Company has taken steps to reuse or recycle the waste. For treatment of water effluents, the company has installed STP Plant/ ETP, 100% recycled water is used in the processes. Solid waste is used as a raw material in the process and ensured 100% recycled water used in the process (zero discharge).

Principle 3 - Businesses should promote the wellbeing of all employees.

i. Please indicate the total number of employees.

The total number of permanent employees are 2032 as on March 31, 2020.

ii. Please indicate the total number of employees hired on temporary/contractual/casual basis.

Total temporary/contractual/casual employees are 916 as on March 31, 2020.

iii. Please indicate the number of permanent women employees.

There were 42 permanent women employees as on March 31, 2020.

iv. Please indicate the number of permanent employees with disabilities.

There was 1 permanent employee with disabilities as on March 31, 2020.

v. Do you have an employee association that is recognized by management?

No, there is no employee association which is recognized by Management.

vi. What percentage of your permanent employees is members of this recognized employee association?

N.A

vii. Please indicate the Number of complaints relating to child labour, forced labour, in voluntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints Pending as on end of the financial year
1	Child labour/forced labour/involuntary	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

viii. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

I	Permanent Employees	79.16%
II	Permanent Women Employees	86%
III	Causal/Temporary/Contractual Employees	74.4%
IV	Employees with Disabilities	100%

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/ No

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Our CSR approach focuses on the development of communities around the vicinity of our plants and covers area of animal welfare, destitute care and rehabilitation, promoting education, enhancing vocational skills also developed innovative programmes that leverage our capabilities as a tile manufacturer.

Our "Tile Master" initiative has cumulatively trained more than 4912 masons/workers on tile laying techniques and improved their productivity and livelihood.

Principle 5 - Business should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/ Others?

The Policy on Human Rights covers the Company only. Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles stated in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the period under review, the Company has not received any complaint from any stakeholder except the investor and customer complaints which were addressed suitably from time to time.

Principle 6 - Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others?

The Policy on environment covers the Company only.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has an Environmental Policy which guides the organization to continually mitigate the impact on climate change

and global warming as a result of our operations. The company works continuously to reduce the waste and is focused on creating green infrastructure designed for better energy efficiency and efficient operations. The policy is on the website of the Company at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/e/n/environmental_policy.pdf

3. Does the company identify and assess potential environmental risks? Y/N

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The locations of the Company are certified for requirements under ISO 14001 (Environmental System) and OHSAS 18001 (Occupational Health and Safety System). Audit by Independent Auditors are carried out to check the level of compliance.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The initiative taken by the Company are covered under the Directors' Report, which forms part of the Annual Report.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Emissions and Waste generated by the company are within the permissible limits.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is member of following trade associations which make efforts towards sustainable business development-

- a) Indian Council of Ceramic Tiles and Sanitary ware (ICCTAS)
- b) Confederation of Indian Industry (CII)

- c) PHD Chamber of Commerce
- d) Merchant Chamber of Commerce and Industry
- e) The Associate Chamber of Commerce of India
- f) American Ceramic Society

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has represented through above associations from time to time for various economic and corporate governance issues in the interest of the Industry in general and Ceramic Industry in particular.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has taken a holistic approach towards the development of the deprived groups of the society. The Company work in the areas of education, healthcare, animal welfare and contributed to PM Care Fund. To oversee implementation of various initiatives, Company has formed a Board Level Committee called Corporate Social Responsibility (CSR) Committee.

2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?

The Company undertakes various CSR projects either directly or through CSR Foundation of the Company /registered trust and/or by making contribution to the Fund(s) created by the Government from time to time and NGOs undertaking CSR activities.

3. Have you done any impact assessment of your initiative?

The CSR programme and their impacts/outcomes are monitored and reviewed by the Committee.

4. What is your company's direct contribution to community development Projects-Amount in INR and the details of the projects undertaken?

The Company has spent an amount of ₹201.16 Lakhs in various CSR activities during the financial year 2019-20. The details of the amount incurred on areas covered are given in Annexure to the report on Corporate Social Responsibility forming part of this Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company has a process of engaging with local community to understand their concerns. The CSR interventions are carried out on a need based approach which is developed after consultations with the local community to ensure that the activities are adopted by them.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company has an effective system for addressing customer complaints. The customer complaints filed against the Company for defects in the products of the Company are not significant in number compared with annual sales volume.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Company displays all information as mandated by the regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No, there is no case filed by any stakeholder during last five year regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

The Company has received awards for its contribution to the Industry, which represents customer satisfaction.

OTHER DISCLOSURES

- I. There were no significant material orders passed by the Regulators / Courts during the financial year 2019-20 which would impact the going concern status of the Company and its future operations.
- II. There were no significant material changes and commitments in terms of Section 134(3) (l) of the Companies Act, 2013, affecting the financial position of the Company.
- III. As per the Order of Hon'ble National Company Law Tribunal, Kolkata ("NCLT") dated September 4, 2019 for amalgamation of Bhilwara Holdings Limited ('BHL'), Sarvottam Vanijya Limited ('SVL') and Scope Vinimoy Private Limited ('SVPL') with Somany Ceramics Limited ('SCL') was completed.
- IV. SEBI has given its NOC dated April 22, 2020 for the merger of Schabolna India Limited with the company subject to the necessary approval of NCLT.
- V. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- VI. During the reporting period no new company has become or cease to its subsidiary, joint venture or associate company.

ACKNOWLEDGEMENT

Your Directors acknowledge with sincere gratitude, the cooperation and help extended by all the stakeholders of your Company including its esteemed shareholders, government departments and agencies, financial institutions and banks, customers, vendors and employees.

For and on behalf of the Board

Place: Noida
Dated: June 25, 2020

Shreekant Somany
Chairman and Managing Director
DIN:00021423

ANNEXURE – 1

Statement pursuant to Section 134 of the Companies Act, 2013

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint ventures

PART-A: Subsidiaries

Name of the Subsidiary companies	SR Continental Ltd.	Somany Bathware Ltd. (formerly known as Somany Global Limited)	Somany Excel Vitrified Pvt. Ltd.	Amora Tiles Pvt. Ltd.	Somany Fine Vitrified Pvt. Ltd.	Somany Sanitary Ware Pvt. Ltd.	Sudha Somany Ceramics Pvt. Ltd. (formerly known as Sudha Ceramics Pvt. Ltd.)	Amora Ceramics Pvt. Ltd.	Somany Bath Fittings Private Limited (Karanjot Enterprises Pvt. Ltd.)
Reporting period for the subsidiary concern, if different from the holding Company's reporting Period	NA								
Date since when subsidiary was acquired	June 25, 1979	December 26, 2006	October 30, 2015	November 29, 2013	May 30, 2015	June 1, 2015	September 20, 2017	March 30, 2018	May 1, 2018
Share Capital	18.50	50.00	351.00	1,040.00	1,500.00	990.00	1,500.00	900.00	185.91
Reserves & surplus / (Accumulated Losses)	116.13	39.36	(1.56)	743.22	965.27	169.73	(857.43)	(172.86)	583.18
Total assets	140.96	89.66	374.25	3,918.07	7,155.23	5,389.58	14,200.48	3,282.51	1,389.02
Total liabilities (Excluding Share Capital & Reserves)	6.33	0.30	24.81	2,134.85	4,689.96	4,229.85	13,557.91	2,555.37	619.92
Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Turnover including other income	7.85	4.91	43.12	6,441.58	9,920.83	4,836.62	6,617.61	4,360.28	2,185.86
Profit / (Loss) before taxation	(4.02)	3.72	26.43	(65.86)	182.79	54.28	(1,316.62)	27.51	(67.92)
Provisions for taxation	0	(0.40)	6.65	(17.61)	48.41	20.41	(379.88)	13.29	(17.69)
Profit / (Loss) after taxation	(4.02)	4.12	19.78	(48.25)	134.38	33.87	(936.74)	14.22	(50.23)
Other Comprehensive Income	0	0	0	0	0	0	0	0	0.47
Proposed Dividend	0	0	0	0	0	0	0	0	0
% of shareholding	100%	100%	100%	51%	51%	51%	60%	51%	51%

- Name of the Subsidiary which are yet to commence operations - Nil
- Name of the subsidiaries which have been liquidated or sold during the year – Nil

Part B: Associates and Joint Ventures

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

Name of the associates/ joint ventures	Acer Granito Pvt. Ltd.	Vicon Ceramic Pvt. Ltd.	Vintage Tiles Pvt. Ltd.
Latest audited balance sheet date	March 31, 2020	March 31, 2020	March 31, 2020
Date on which the Associate or Joint Ventures was associated or acquired	March 8, 2014	November 26, 2013	January 13, 2012
Shares of associate/ joint ventures held by the Company at the year end	1,460,000	2,535,000	4,500,000
Amount of investment in associates/ joint venture (₹ in Lakhs)	511.00	253.50	1399.50
Extend of Holding %	26.00%	26.00%	50.00%
Description of how there is significant influence	Section 2(6)	Section 2(6)	Section 2(6)
Reason why the associates/ joint venture is not consolidated	NA	NA	NA
Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Lakhs)	644.96	251.67	776.30
Profit/ Loss for the year (₹ in Lakhs)	121.74	50.44	(152.40)
a) Considered in Consolidation	121.74	50.44	(152.40)
b) Not considered in consolidation	-	-	-

- Name of the Associates or joint Venture which are yet to commence operations - Nil
- Name of the Associates or joint Venture which have been liquidated or sold during the year -NIL.

For and on behalf of the Board

Place: Noida
Dated: June 25, 2020

Shreekant Somany
Chairman and Managing Director
DIN:00021423

ANNEXURE – 2

Form No.: MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2020
{Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To
The Members,
Somany Ceramics Limited
(CIN: L40200WB1968PLC224116)
2, Red Cross Place,
Kolkata-700 001 (West Bengal)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Somany Ceramics 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 Somany Ceramics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the reporting period under audit)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the reporting period under audit)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the reporting period under audit)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the reporting period under audit)**
 - (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 to the Company during the reporting period under audit)&**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the reporting period under audit)**
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on their Sector/ Business.

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

- (i) Secretarial Standards on Board and General Meetings (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that, during the year under review:

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

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, 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.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors of the Company or committee of the Board, as the case may be.

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

We further report that during the audit period:

- a) the Board of Directors of the Company has approved the allotment of 1,90,87,200 (One Crore Ninety Lac Eighty Seven Thousand and Two Hundred) (in aggregate including fractional entitlement) fully paid up equity shares of face value of ₹ 2/- each of the Company to the eligible shareholders of Bhilwara Holdings Limited (BHL), Sarvottam Vanijya Limited (SVL) and Scope Vinimoy Private Limited (SVPL), in proportion of their respective shareholding in BHL, SVL and SVPL, pursuant to the Scheme of Amalgamation of BHL, SVL and SVPL with the Company ('Scheme') as approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its order dated September 04, 2019. Further, 1,90,87,200 fully paid up equity shares of face value of ₹ 2/- each of the Company held by BHL, SVL and SVPL were cancelled and extinguished without any further application, act, deed, instrument on the part of the Company in terms of the provision of the Scheme.
- b) the Board of Directors of the Company has considered and approved the Scheme of Amalgamation of Schablona India Ltd. with Somany Ceramics Ltd., which is also approved by SEBI, however, the said scheme is subject to further approval from Hon'ble NCLT, shareholders, creditors and other approvals, if any.

For Pinchaa & Co.
Company Secretaries
Firm's U.C.N. P2016RJ051800

Pradeep Pincha
Partner
M. No. FCS 5369
C. P. No.:4426
UDIN: F005369B000317043

Dated: June 4, 2020
Place: Jaipur

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

Annexure-A

To
 The Members,
 Somany Ceramics Limited
 (CIN: L40200WB1968PLC224116)
 2, Red Cross Place,
 Kolkata-700 001 (West Bengal)

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to prevailing situation of COVID-19, we are unable to verify the partial information physically, therefore we rely on the information as provided by the Company in electronic mode.

For Pinchaa & Co.
 Company Secretaries
 Firm's U.C.N. P2016RJ051800

Pradeep Pincha
 Partner
 M. No. FCS 5369
 C. P. No.:4426
 UDIN: F005369B000317043

Dated: June 4, 2020
 Place: Jaipur

ANNEXURE – 3

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

Sl. No.	Particulars	Attachment
I	REGISTRATION AND OTHER DETAILS	
i.	CIN	L40200WB1968PLC224116
ii.	Registration Date	January 20, 1968
iii.	Name of the Company	Somany Ceramics Limited
iv.	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v.	Address of the Registered office and contact details	2, Red Cross Place, Kolkata - 700 001, West Bengal. Tel: +91 33 22487406/5913 E-mail: ambrish.julka@somanyceramics.com Website: www.somanyceramics.com
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5 th Floor Kolkata – 700 001 Phone No. 033-2243 5809/ 2248 2248 E-mail: mdpldc@yahoo.com
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the Company shall be stated	As per Attachment 'A'
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	As per Attachment 'B'
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i.	Category-wise Share Holding	As per Attachment 'C'
ii.	Shareholding of Promoters	As per Attachment 'D'
iii.	Change in Promoters' Shareholding	As per Attachment 'E'
iv.	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment 'F'
v.	Shareholding of Directors and Key Managerial Personnel	As per Attachment 'G'
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Attachment 'H'
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment 'I'
B.	Remuneration to other directors	As per Attachment 'J'
C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment 'K'
VII	PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES	As per Attachment 'L'

ATTACHMENT - A**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% to total turnover of the Company#
1	Ceramic/Vitrified Wall & Floor Tiles	23929	88.57%

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

ATTACHMENT – B**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary /Associate	% of Shares held	Applicable section
1	SR Continental Limited	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U55101DL1979PLC317439	Subsidiary	100%	2(87)(ii)
2	Somany Bathware Limited (formerly known as Somany Global Limited)	82/19, Bhakerwara Road, Mundka, New Delhi-110041	U51909DL2006PLC156990	Subsidiary	100%	2(87)(ii)
3	Somany Excel Vitrified Private Limited	Dukya Complex, 1 st Floor, Near Gandhi Nagar Railway Station, Tonk road, Jaipur- 302018, Rajasthan	U26955RJ2015PTC048537	Subsidiary	100%	2(87)(ii)
4	Amora Tiles Private Limited	SR No. 167/1 P1, Sartanpar Road, Tal. Wankaner, Sartanpar, Rajkot-363622, Gujarat	U26933GJ2013PTC075379	Subsidiary	51%	2(87)(ii)
5	Somany Sanitary Ware Private Limited	S.No. 136 P1 & 138/3, Village Vaghasiya, Tal. Wankaner, Vaghasiya, Rajkot-363622, Gujarat	U26915GJ2012PTC070115	Subsidiary	51%	2(87)(ii)
6	Somany Fine Vitrified Private Limited	8 - A National Highway, Sartanpar, Matel Road, Taluka : Wankaner, Rajkot- 363621, Gujarat.	U26933GJ2011PTC063535	Subsidiary	51%	2(87)(ii)
7	Sudha Somany Ceramics Private Limited	D NO. 19-1-422/A, G Ragampeta Peddapuram East Godavari Andhra Pradesh 533437	U26960AP2015PTC097828	Subsidiary	60%	2(87)(ii)
8	Amora Ceramics Private Limited	Survey No. 147/1p2, Nr. Amora Tiles, Sartanpar Road, Tal. Wankaner, Dist. Morbi, Sartanpar Rajkot -363622, Gujarat	U26100GJ2017PTC099608	Subsidiary	51%	2(87)(ii)
9	Somany Bath Fittings Private Limited (formerly known as Karanjot Enterprises Private Limited)	House No-3038, Sector-20/D, Chandigarh-160020	U26999CH2017PTC041478	Subsidiary	51%	2(87)(ii)
10	Acer Granito Private Limited	Survey No. 641/P-1, B/H Regency Sanitaryware, Lakdhirpur Road, Tal. Morbi Ghuntu-363642, Gujarat	U26914GJ2008PTC053525	Associate	26%	2(6)
11	Vicon Ceramic Private Limited	S.No. 154/P2, B/H Vivanta Ceramic, Tal. Morbi, Bela Rangpar, Rajkot-363642, Gujarat	U26933GJ2013PTC075377	Associate	26%	2(6)
12	Vintage Tiles Private Limited	Survey No. 56, Nazar Baug Road, Behind Science College, Morbi-363642, Gujarat	U26933GJ2010PTC062196	Associate	50%	2(6)

ATTACHMENT- C

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year, i.e. April 1, 2019				No. of Shares held at the end of the year, i.e. March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	27,52,160	-	27,52,160	6.49	30,54,968	-	30,54,968	7.21	0.71
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1,90,87,200	-	1,90,87,200	45.04	-	-	-	-	(45.04)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trust)	-	-	-	-	1,87,55,799	-	1,87,55,799	44.26	44.26
Sub-total (A) (1):-	2,18,39,360		2,18,39,360	51.53	2,18,10,767		2,18,10,767	51.47	(0.07)
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	2,18,39,360	-	2,18,39,360	51.53	2,18,10,767	-	2,18,10,767	51.47	(0.07)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	97,10,479	-	97,10,479	22.91	70,67,857	-	70,67,857	16.68	(6.24)
b) Banks/FI	47,011	8,030	55,041	0.13	34,384	8,030	42,414	0.10	(0.03)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	5,71,971	-	5,71,971	1.35	1.35
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	6,59,206	-	6,59,206	1.56	1.56
Foreign Portfolio Investors	19,42,035	-	19,42,035	4.58	8,99,228	-	8,99,228	2.12	(2.46)
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year, i.e. April 1, 2019				No. of Shares held at the end of the year, i.e. March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	1,16,99,525	8,030	1,17,07,555	27.63	92,32,646	8,030	92,40,676	21.80	(5.82)
2. Non-institutions									
Bodies Corporate	-	-	-	-	-	-	-	-	-
Indian	13,70,870	32,250	14,03,120	3.31	12,60,060	32,250	12,92,310	3.05	(0.26)
Overseas	-	-	-	-	-	-	-	-	-
Individuals									
Individual shareholders holding nominal share capital upto ₹ 1 lakh	34,85,974	2,79,295	37,65,269	8.88	43,07,330	2,42,090	45,49,420	10.74	1.85
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	22,63,713	-	22,63,713	5.34	36,76,509	-	36,76,509	8.68	3.33
Others (Specify)	-	-	-	-	-	-	-	-	-
Non-Resident Indians	11,99,765	-	11,99,765	2.83	12,34,857	-	12,34,857	2.91	0.08
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	40,757	-	40,757	0.10	4,03,563	-	4,03,563	0.95	0.86
Trusts	488	-	488	0.00	-	-	-	-	(0.00)
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	10,000	-	10,000	0.02	10,000	-	10,000	0.02	0.00
NBFCs registered with RBI	140	-	140	0.00	-	-	-	-	(0.00)
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	1,49,259	-	1,49,259	0.35	1,61,324	-	1,61,324	0.38	0.03
Sub-total(B)(2):-	85,20,966	3,11,545	88,32,511	20.84	1,10,53,643	2,74,340	1,13,27,983	26.73	5.89
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,02,20,491	3,19,575	2,05,40,066	48.47	2,02,86,289	2,82,370	2,05,68,659	48.53	0.07
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,20,59,851	3,19,575	4,23,79,426	100.00	4,20,97,056	2,82,370	4,23,79,426	100.00	-

ATTACHMENT- D

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at beginning of the year i.e. April 1, 2019			No. of Shares held at the end of the year i.e. March 31, 2020			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% Shares Pledged / encumbered to total shares	
1	ABHISHEK SOMANY – TRUSTEE OF SHAKTHI FAMILY TRUST	-	-	-	1,00,80,055	23.79	-	23.79
2	SHRIVATSA SOMANY- TRUSTEE OF SANRAKSHITH FAMILY TRUST	-	-	-	43,37,872	10.24	-	10.24
3	SHREEKANT SOMANY – TRUSTEE OF SRIJAN FAMILY TRUST	-	-	-	43,37,872	10.24	-	10.24
4	ABHISHEK SOMANY (HUF)	-	-	-	18,49,093	4.36	-	4.36
5	ANJANA SOMANY	94,150	0.22	-	10,84,468	2.56	-	2.34
6	ANUSHREE CHOPRA	1,50,000	0.35	-	1,21,407	0.29	-	(0.07)
7	SHRIVATSA SOMANY	13,21,370	3.12	-	-	-	-	(3.12)
8	SHREEKANT SOMANY HUF	45,500	0.11	-	-	-	-	(0.11)
9	ABHISHEK SOMANY	85,500	0.20	-	-	-	-	(0.20)
10	BHILWARA HOLDINGS LIMITED	92,02,200	21.71	-	-	-	-	(21.71)
11	SARVOTTAM VANIJYA LIMITED	63,32,500	14.94	-	-	-	-	(14.94)
12	SCOPE VINIMOY PRIVATE LIMITED	35,52,500	8.38	-	-	-	-	(8.38)
13	MINAL SOMANY	6,25,900	1.48	-	-	-	-	(1.48)
14	SHREEKANT SOMANY	4,29,740	1.01	-	-	-	-	(1.01)
	TOTAL	2,18,39,360	51.53	-	2,18,10,767	51.47	-	(0.07)

ATTACHMENT- E

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

iii) Changes in Promoters' Shareholding

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	BHILWARA HOLDINGS LIMITED				
	Beginning of the year	92,02,200	21.71		
	Cancellation/ Extinguishment pursuant to the Scheme of Amalgamation – 20-12-2019	(92,02,200)	(21.71)	-	-
	End of the year			-	-
2	SARVOTTAM VANIJYA LIMITED				
	Beginning of the year	63,32,500	14.94	-	-

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Cancellation/ Extinguishment pursuant to the Scheme of Amalgamation – 20-12-2019	(63,32,500)	(14.94)	-	-
	End of the year			-	-
3	MINAL SOMANY				
	Beginning of the year	6,25,900	1.48	-	-
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	1,25,756	0.30	7,51,656	1.77
	Sale/Inter se transfer – 24-01-2020	(7,51,656)	(1.77)	-	-
	End of the year			-	-
4	SCOPE VINIMOY PRIVATE LIMITED				
	Beginning of the year	35,52,500	8.38		
	Cancellation/ Extinguishment pursuant to the Scheme of Amalgamation – 20-12-2019	(35,52,500)	(8.38)	-	-
	End of the year			-	-
5	SHREEKANT SOMANY (HUF)				
	Beginning of the year	45,500	0.11		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	21,10,735	4.98	21,56,235	5.09
	Sale/ Inter se transfer – 10-01-2020	(21,56,235)	(5.09)		
	End of the year			-	-
6	ABHISHEK SOMANY (HUF)				
	Beginning of the year	-	-		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	18,49,093	4.36	18,49,093	4.36
	End of the year			18,49,093	4.36
7	SHRIVATSA SOMANY – TRUSTEE OF SANRAKSHITH FAMILY TRUST				
	Beginning of the year	-	-		
	Purchase/Inter se transfer – 14-02-2020	43,37,872	10.24	43,37,872	10.24
	End of the year			43,37,872	10.24
8	SHREEKANT SOMANY – TRUSTEE OF SRIJAN FAMILY TRUST				
	Beginning of the year	-	-		
	Purchase/Inter se transfer – 14-02-2020	43,37,872	10.24	43,37,872	10.24
	End of the year			43,37,872	10.24
9	ABHISHEK SOMANY – TRUSTEE OF SHAKTHI FAMILY TRUST				
	Beginning of the year	-	-		
	Purchase/Inter se transfer – 14-02-2020	1,00,80,055	23.79	1,00,80,055	23.79
	End of the year			1,00,80,055	23.79

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	SHREEKANT SOMANY				
	Beginning of the year	4,29,740	1.01		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	26,21,941	6.19	30,51,681	7.20
	Purchase/Inter se Transfer – 10-01-2020	7,18,745	1.70	37,70,426	8.90
	Purchase/Inter se Transfer – 24-01-2020	1,06,47,501	25.12	1,44,17,927	34.02
	Sale /Inter se Transfer– 14-02-2020	(1,44,17,927)	(34.02)	-	-
	End of the year			-	-
11	ABHISHEK SOMANY				
	Beginning of the year	85,500	0.20		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	23,41,913	5.53	24,27,413	5.73
	Purchase/Inter se transfer – 10-01-2020	7,18,745	1.70	31,46,158	7.42
	Sale/Inter se transfer – 24-01-2020	(31,46,158)	(7.42)	-	-
	End of the year				-
12	ANUSHREE CHOPRA				
	Beginning of the year	1,50,000	0.35		
	Sale – 31-05-2019	(28,593)	(0.07)	1,21,407	0.29
	End of the year			1,21,407	0.29
13	ANJANA SOMANY				
	Beginning of the year	94,150	0.22		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	62,33,439	14.71	63,27,589	14.93
	Sale/Inter se Transfer – 24-01-2020	(9,05,249)	(2.14)	54,22,340	12.79
	Sale/Inter se Transfer – 14-02-2020	(43,37,872)	(10.24)	10,84,468	2.56
	End of the year			10,84,468	2.56
14	SHRIVATSA SOMANY				
	Beginning of the year	13,21,370	3.12		
	Allotted pursuant to Scheme of Amalgamation/Purchase – 20-12-2019	38,04,323	8.98	51,25,693	12.09
	Sale/Inter se Transfer – 10-01-2020	7,18,745	1.70	58,44,438	13.79
	Sale/Inter se Transfer – 24-01-2020	(58,44,438)	(13.79)	-	-
	End of the year			-	-

Note: Interse transfer between the promoters was as per the approval of SEBI.

ATTACHMENT- F**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	FRANKLIN BUILD INDIA FUND				
	Beginning of the year	37,50,000	8.85		
	End of the year			37,50,000	8.85
2	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T HYBRID EQUITY FUND				
	Beginning of the Year	23,28,590	5.49		
	05-04-2019 – Purchase	5,611	0.01	23,34,201	5.51
	26-04-2019 – Purchase	34,850	0.08	23,69,051	5.59
	10-05-2019 - Purchase	10,000	0.02	23,79,051	5.61
	05-07-2019 - Purchase	35,533	0.08	24,14,584	5.70
	12-07-2019 - Purchase	25,049	0.06	24,39,633	5.76
	19-07-2019 - Purchase	6,834	0.02	24,46,467	5.77
	26-07-2019 - Purchase	30,561	0.07	24,77,028	5.84
	02-08-2019 - Purchase	13,993	0.03	24,91,021	5.88
	09-08-2019 - Purchase	2,000	0.00	24,93,021	5.88
	16-08-2019 - Purchase	287	0.00	24,93,308	5.88
	13-09-2019 - Purchase	1,00,000	0.24	25,93,308	6.12
	20-09-2019 - Transfer	2,67,696	0.63	28,61,004	6.75
	27-09-2019 - Purchase	2,336	0.01	28,63,340	6.76
	21-02-2020 – Sale	36,586	0.09	28,26,754	6.67
	13-03-2020 – Sale	1,29,000	0.30	26,97,754	6.37
	27-03-2020 – Sale	1,72,177	0.41	25,25,577	5.96
	End of the year			25,25,577	5.96
3	MITESH N MEHTA *				
	Beginning of the Year	38,000	0.09		
	05-04-2019 – Sale	38,000	0.09	-	0.00
	27-09-2019 – Purchase	1,26,000	0.30	1,26,000	0.30
	04-10-2019 – Purchase	23,999	0.06	1,49,999	0.35
	11-10-2019 – Purchase	68,455	0.16	2,18,454	0.52
	18-10-2019 – Purchase	38,717	0.09	2,57,171	0.61

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	25-10-2019 – Purchase	1,27,509	0.30	3,84,680	0.91
	15-11-2019 – Purchase	2,48,684	0.59	6,33,364	1.49
	22-11-2019 – Purchase	11,000	0.03	6,44,364	1.52
	29-11-2019 – Purchase	1,20,996	0.29	7,65,360	1.81
	06-12-2019 – Purchase	1,92,673	0.45	9,58,033	2.26
	13-12-2019 – Purchase	45,000	0.11	10,03,033	2.37
	20-12-2019 – Purchase	69,960	0.17	10,72,993	2.53
	27-12-2019 – Purchase	21,371	0.05	10,94,364	2.58
	31-12-2019 – Sale	6,000	0.01	10,88,364	2.57
	03-01-2020 – Purchase	82,713	0.20	11,71,077	2.76
	24-01-2020 – Sale	21,713	0.05	11,49,364	2.71
	31-01-2020 – Sale	23,000	0.05	11,26,364	2.66
	07-02-2020 – Sale	8,330	0.02	11,18,034	2.64
	14-02-2020 – Purchase	86,340	0.20	12,04,374	2.84
	28-02-2020 – Purchase	13,311	0.03	12,17,685	2.87
	06-03-2020 – Sale	16,000	0.04	12,01,685	2.84
	13-03-2020 – Sale	29,895	0.07	11,71,790	2.77
	20-03-2020 – Purchase	9,000	0.02	11,80,790	2.79
	27-03-2020 – Purchase	3,184	0.01	11,83,974	2.79
	End of the Year			11,83,974	2.79
4	SURYA KUMAR JHUNJHNUWALA				
	Beginning of the year	10,70,108	2.53		
	End of the Year			10,70,108	2.53
5	NEW MARK CAPITAL INDIA FUND I *				
	Beginning of the year	-	-	-	-
	29-11-2019 – Purchase	11,377	0.03	11,377	0.03
	13-12-2019 – Purchase	83,091	0.20	94,468	0.22
	31-01-2020 – Purchase	54,700	0.13	1,49,168	0.35
	07-02-2020 – Purchase	1,68,704	0.40	3,17,872	0.75
	21-02-2020 – Purchase	54,937	0.13	3,72,809	0.88
	28-02-2020 – Purchase	48,063	0.11	4,20,872	0.99
	20-03-2020 – Purchase	1,30,000	0.31	5,50,872	1.30
	27-03-2020 – Purchase	68,334	0.16	6,19,206	1.46
	End of the Year			6,19,206	1.46

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	SANJEEV VINODCHANDRA PAREKH				
	Beginning of the year	4,43,523	1.05		
	End of the year			4,43,523	1.05
7	ALQUNITY SICAV - ALQUNITY INDIAN SUBCONTINENT FUND				
	Beginning of the year	4,66,830	1.10	-	-
	05-04-2019 - Sale	39,396	0.09	4,27,434	1.01
	12-04-2019 - Purchase	36,468	0.09	4,63,902	1.09
	10-05-2019 - Sale	3,212	0.01	4,60,690	1.09
	09-08-2019 - Sale	6,008	0.01	4,54,682	1.07
	16-08-2019 - Sale	3,475	0.01	4,51,207	1.06
	23-08-2019 - Sale	9,986	0.02	4,41,221	1.04
	30-08-2019 - Sale	5,269	0.01	4,35,952	1.03
	13-03-2020 - Sale	872	0.00	4,35,080	1.03
	End of the Year			4,35,080	1.03
8	KIRTIVARDHAN FINVEST SERVICES LIMITED *				
	Beginning of the year	4,33,795	1.02		
	End of the year			4,33,795	1.02
9	ICICI PRUDENTIAL INDIA OPPORTUNITIES FUND *				
	Beginning of the Year	12	0.00		
	17-05-2019 - Purchase	20	0.00	32	0.00
	24-05-2019 - Purchase	10	0.00	42	0.00
	31-05-2019 - Purchase	74,674	0.18	74,716	0.18
	14-06-2019 - Purchase	1,494	0.00	76,210	0.18
	21-06-2019 - Purchase	7,200	0.02	83,410	0.20
	05-07-2019 - Purchase	3,695	0.01	87,105	0.21
	12-07-2019 - Purchase	38,692	0.09	1,25,797	0.30
	19-07-2019 - Purchase	27,454	0.06	1,53,251	0.36
	26-07-2019 - Purchase	23,502	0.06	1,76,753	0.42
	09-08-2019 - Sale	4,340	0.01	1,72,413	0.41
	16-08-2019 - Purchase	10	0.00	1,72,423	0.41
	23-08-2019 - Purchase	14	0.00	1,72,437	0.41
	30-08-2019 - Purchase	10	0.00	1,72,447	0.41
	27-09-2019 - Purchase	18	0.00	1,72,465	0.41
	30-09-2019 - Purchase	10	0.00	1,72,475	0.41

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	04-10-2019 – Purchase	10	0.00	1,72,485	0.41
	11-10-2019 – Purchase	10	0.00	1,72,495	0.41
	18-10-2019 – Purchase	1	0.00	1,72,496	0.41
	25-10-2019 – Purchase	10	0.00	1,72,506	0.41
	22-11-2019 – Purchase	10	0.00	1,72,516	0.41
	29-11-2019 – Purchase	2,53,106	0.60	4,25,622	1.00
	06-12-2019 – Sale	34,698	0.08	3,90,924	0.92
	27-12-2019 – Purchase	11	0.00	3,90,935	0.92
	10-01-2020 – Purchase	10	0.00	3,90,945	0.92
	24-01-2020 – Sale	18,823	0.04	3,72,122	0.88
	31-01-2020 – Purchase	10	0.00	3,72,132	0.88
	07-02-2020 – Purchase	10	0.00	3,72,142	0.88
	14-02-2020 – Purchase	5	0.00	3,72,147	0.88
	06-03-2020 – Purchase	25	0.00	3,72,172	0.88
	13-03-2020 – Purchase	53,563	0.13	4,25,735	1.00
	20-03-2020 – Purchase	15	0.00	4,25,750	1.00
	27-03-2020 – Purchase	20	0.00	4,25,770	1.00
	31-03-2020 – Purchase	10	0.00	4,25,780	1.00
	End of the year			4,25,780	1.00
10	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED *				
	Beginning of the year	1,65,622	0.39		
	05-04-2019 – Purchase	32,681	0.08	1,98,303	0.47
	12-04-2019 – Purchase	1,89,873	0.45	3,88,176	0.92
	31-05-2019 – Purchase	3,24,600	0.77	7,12,776	1.68
	26-07-2019 – Sale	57,598	0.14	6,55,178	1.55
	02-08-2019 – Sale	1,854	0.00	6,53,324	1.54
	13-09-2019 – Sale	3,50,925	0.83	3,02,399	0.71
	End of the year			3,02,399	0.71
11	HSBC MULTICAP EQUITY FUND #				
	Beginning of the year	6,68,796	1.58		
	26-04-2019 –Sale	10,000	0.02	6,58,796	1.55
	12-07-2019 – Sale	50,000	0.12	6,08,796	1.44
	26-07-2019 – Sale	7,553	0.02	6,01,243	1.42
	18-10-2019 – Sale	50,000	0.12	5,51,243	1.30
	25-10-2019 – Sale	82,447	0.19	4,68,796	1.11

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	08-11-2019 – Sale	38,969	0.09	4,29,827	1.01
	06-12-2019 – Sale	1,031	0.00	4,28,796	1.01
	14-02-2020 – Sale	1,79,092	0.42	2,49,704	0.59
	21-02-2020 – Sale	1,17,640	0.28	1,32,064	0.31
	28-02-2020 – Sale	13,268	0.03	1,18,796	0.28
	13-03-2020 – Sale	1,328	0.00	1,17,468	0.28
	End of the year			1,17,468	0.28
12	DSP SMALL CAP FUND #				
	Beginning of the year	14,69,593	3.47		
	12-04-2019 – Sale	2,00,000	0.47	12,69,593	3.00
	26-04-2019 – Sale	22,000	0.05	12,47,593	2.94
	10-05-2019 – Sale	671	0.00	12,46,922	2.94
	31-05-2019 – Sale	58,638	0.14	11,88,284	2.80
	07-06-2019 – Sale	48,414	0.11	11,39,870	2.69
	30-08-2019 – Sale	34,822	0.08	11,05,048	2.61
	06-09-2019 – Sale	70,287	0.17	10,34,761	2.44
	13-09-2019 – Sale	4,75,332	1.12	5,59,429	1.32
	20-09-2019 – Sale	1,88,436	0.44	3,70,993	0.88
	27-09-2019 – Sale	30,829	0.07	3,40,164	0.80
	08-11-2019 – Sale	82,772	0.20	2,57,392	0.61
	15-11-2019 – Sale	1,71,248	0.40	86,144	0.20
	29-11-2019 – Sale	86,144	0.20	-	-
	End of the year			-	-
13	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A-C ADITYA BIRLA SUN LIFE PURE VAL #				
	Beginning of the year	9,37,110	2.21		
	05-04-2019 – Purchase	72,400	0.17	10,09,510	2.38
	21-06-2019 – Sale	50,000	0.12	9,59,510	2.26
	02-08-2019 – Sale	850	0.00	9,58,660	2.26
	23-08-2019 – Sale	600	0.00	9,58,060	2.26
	11-10-2019 – Sale	1,70,395	0.40	7,87,665	1.86
	18-10-2019 – Sale	12,072	0.03	7,75,593	1.83
	22-11-2019 – Sale	44,723	0.11	7,30,870	1.72
	29-11-2019 – Sale	1,67,833	0.40	5,63,037	1.33

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative Shareholding during the year and at the close of the year on March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	06-12-2019 – Sale	21,600	0.05	5,41,437	1.28
	13-12-2019 – Sale	19,400	0.05	5,22,037	1.23
	20-12-2019 – Sale	60,200	0.14	4,61,837	1.09
	27-12-2019 – Sale	17,543	0.04	4,44,294	1.05
	31-12-2019 – Sale	46,000	0.11	3,98,294	0.94
	03-01-2020 – Sale	98,000	0.23	3,00,294	0.71
	10-01-2020 – Sale	65,169	0.15	2,35,125	0.55
	24-01-2020 – Sale	17,499	0.04	2,17,626	0.51
	31-01-2020 – Sale	20,643	0.05	1,96,983	0.46
	07-02-2020 – Sale	75,843	0.18	1,21,140	0.29
	14-02-2020 – Sale	1,21,140	0.29	-	-
	End of the year			-	-
14	WASATCH EMERGING INDIA FUND #				
	Beginning of the year	5,10,611	1.20		
	10-05-2019 – Sale	3,199	0.01	5,07,412	1.20
	17-05-2019 – Sale	1,290	0.00	5,06,122	1.19
	24-05-2019 – Sale	5,06,122	1.19	-	-
	End of the year			-	-
15	UTI - LONG TERM ADVANTAGE FUND SERIES VI #				
	Beginning of the year	5,21,878	1.23		
	13-09-2019 – Sale	26,693	0.06	4,95,185	1.17
	20-09-2019 – Sale	94,389	0.22	4,00,796	0.95
	18-10-2019 – Sale	2,098	0.00	3,98,698	0.94
	08-11-2019 – Sale	70,285	0.17	3,28,413	0.77
	15-11-2019 – Sale	1,48,062	0.35	1,80,351	0.43
	29-11-2019 – Sale	1,80,351	0.43	-	-
	End of the year				-

Note:

* Not in the list of Top 10 shareholders as on 01/04/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2020.

Ceased to be in the list of Top 10 shareholders as on 31/03/2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2019.

ATTACHMENT- G

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2019 to March 31, 2020)	
		No of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	Directors							
1	Mr. Shreekant Somany	4,29,740	1.01					
				20-12-2019	26,21,941 6.19%	Allotment pursuant to Scheme of Amalgamation	30,51,681	7.20
				10-01-2020	7,18,745 1.70%	Purchase/Inter se Transfer	37,70,426	8.90
				24-01-2020	1,06,47,501 25.12%	Purchase/Inter se Transfer	1,44,17,927	34.02
				14-02-2020	1,44,17,927 34.02%	Sale/Inter se transfer	-	-
2	Mr. Abhishek Somany	85,500	0.20					
				20-12-2019	23,41,913 5.53%	Allotment pursuant to Scheme of Amalgamation	24,27,413	5.73
				10-01-2020	7,18,745 1.70%	Purchase/Inter se transfer	31,46,158	7.42
				24-01-2020	31,46,158 7.42%	Sale /Inter Se Transfer	-	-
3	Mrs. Anjana Somany	94,150	0.22					
				20-12-2019	62,33,439 14.71%	Allotment pursuant to scheme of amalgamation	63,27,589	14.93
				24-01-2020	9,05,249 2.14%	Sale/Inter se transfer	54,22,340	12.79
				14-02-2020	43,37,872 10.24%	Sale/Inter se transfer	10,84,468	2.56
4	Mr. Salil Singhal	-	-	-	-	-	-	-
5	Mr. Ravinder Nath	-	-	-	-	-	-	-
6	Mr. Rameshwar Singh Thakur	-	-	-	-	-	-	-

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2019 to March 31, 2020)	
		No of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Mr. Siddharath Bindra	27,000	0.06	21-06-2019	166 0.00%	Sale	26,834	0.06
				28-06-2019	14,834 0.04%	Sale	12,000	0.03
8	Mr. G. G. Trivedi	2,000	0.00	-	-	-	2,000	0.00
9	Mr. Vineet Agarwal	-	-	-	-	-	-	-
10	Mrs. Rumjhum Chatterjee	-	-	-	-	-	-	-
11	Mr. Tuljaram Maheshwari	-	-	-	-	-	-	-
12	Dr. Y.K. Alagh*	-	-	-	-	-	-	-
13	Mr. Ratna Kumar Daga*	5,000	0.01	-	-	-	5000	0.01
B	Key Managerial Personnel (KMP's)	-	-	-	-	-	-	-
1.	Mr. T.R. Maheshwari**	-	-	-	-	-	-	-
2.	Mr. Saikat Mukhopadhyay	-	-	-	-	-	-	-
3.	Mr. Ambrish Julka	-	-	-	-	-	-	-

* Mr. R. K. Daga and Dr. Y. K. Alagh, Independent Directors ceased to be the directors of the Company w.e.f. April 1, 2019, owing to attaining the age of 75 years.

** Mr. T.R. Maheshwari ceased to be the Chief Executive Officer of the Company w.e.f. April 16, 2019.

ATTACHMENT- H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,421.97	9,976.22	-	28,398.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18,421.97	9,976.22	-	28,398.19
Change in Indebtedness during the financial year				
• Addition	207.94	13,701.06	-	13,909.00
• Reduction	4,277.51	9976.22	-	14,253.73
Net Change	(4,069.57)	3,724.84	-	(344.73)
Indebtedness at the end of the financial year				
i) Principal Amount	14350.56	13,701.06	-	28051.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.84	-	-	1.84
Total (i+ii+iii)	14,352.40	13,701.06	-	28,053.46

ATTACHMENT- I**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Shreekant Somany	Mr. Abhishek Somany	Mrs. Anjana Somany	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	260.44	288.44	24.00	572.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.08	12.22	-	23.30
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission (as % of profit)	-	-	-	-
5	PF Contribution	28.08	32.04	2.88	63.00
	Total (A)	299.60	332.70	26.88	659.18
	Ceiling as per the Act	(Being 10% of Net Profit ₹1405.81 Lakhs of the Company calculated as per Section 198 of the Companies Act 2,013)			

ATTACHMENT- J**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Salil Singhal	Mr. Ravinder Nath	Mr. Siddharath Bindra	Mr. G. G. Trivedi	Mr. Rameshwar Singh Thakur	Mrs. Rumjhum Chatterjee	Mr. Vineet Agarwal*	Mr. Tuljaram Maheshwari *	
1	Independent Directors									
a	Fee for attending board / committee Meetings	1,45,000	1,00,000	1,60,000	-	1,35,000	1,25,000	1,20,000	-	7,85,000
b	Commission	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	1,45,000	100,000	1,60,000	-	1,35,000	1,25,000	1,20,000	-	7,85,000
2	Other Non-Executive Directors									
a	Fee for attending board / committee Meetings	-	-	-	1,35,000	-	-	-	90,000	2,25,000
b	Commission	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)				1,35,000				90,000	2,25,000
	Total (B)=(1+2)	1,45,000	1,00,000	1,60,000	1,35,000	1,35,000	1,25,000	1,20,000	90,000	10,10,000
	Total Managerial Remuneration	1,45,000	1,00,000	1,60,000	1,35,000	1,35,000	1,25,000	1,20,000	90,000	10,10,000
	Overall Ceiling as per the Act	(Being 1% of Net Profits ₹1405.81 Lakhs of the Company calculated as per Section 198 of the Companies Act, 2013 to each Non-Executive Director of the Company) as per resolution passed by Members at AGM held on 30.08.2018.								

*Mr. Vineet Agarwal (Category -Independent Director) and Mr. T.R. Maheshwari (Category- Non-Executive Non Independent) were appointed as an Additional Director of the Company w.e.f. May 1, 2019.

ATTACHMENT- K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
		Mr. T. R. Maheshwari*	Mr. Saikat Mukhopadhyay	Mr. Ambrish Julka	
1	Gross salary	01.04.2019-16.04.2019	01.04.2019-31.03.2020	01.04.2019-31.03.2020	
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	54.39	115.68	29.15	199.21
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	0.40	0.32	0.74
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission (as % of profit)	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	PF Contribution	0.26	6.19	1.56	8.01
	Total (A)	54.67	122.27	31.03	207.96

*Mr. T.R. Maheshwari resigned from the post of Chief Executive Officer and Key Managerial Personal w. e. f. April 16, 2019.

ATTACHMENT- L

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE – 4

REPORT ON CSR ACTIVITIES OF THE COMPANY

FOR THE YEAR ENDED MARCH 31, 2020

A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs

Your Company have always laid emphasis on progress with social commitment. Your company believe strongly in core values of empowerment and betterment of not only the employees but also of communities, giving preference to the local areas around the business operations. Your Company shall continue to make a meaningful and measurable impact in nation building, sustainable development, accelerated inclusive growth and social equity through its CSR initiatives. The targeted beneficiaries of CSR activities undertaken by your Company shall be for marginalized, disadvantaged, poor or deprived sections of the communities.

Your Company carried out the CSR activities either directly or through H.L Somany Foundation, a Section 8 Company under the Companies Act, 2013. During the year, your company directly/through H.L Somany Foundation undertook several CSR initiatives in the areas of protecting / conserving national heritage, restoration of historical sites, promotion of art and culture, animal welfare, destitute care and rehabilitation, environmental sustainability and ecological balance, promoting education, enhancing vocational skills and promoting healthcare including preventive health care as per the CSR Policy of the Company.

The web link to the Contents of the CSR Policy is <https://www.somanyceramics.com/investor-relation?ajax=1&category=21>

2. Composition of the Committee:
 - Mr. Abhishek Somany (Chairman)
 - Mr. Salil Singhal (Member)
 - Mr. Ravinder Nath (Member)
 - Mr. Siddharath Bindra (Member)
3. Avg. Net Profit of the Company for Last three financial years: ₹ 9,920.86 Lakhs
4. CSR Expenditure (2% of the amount as in item 3 above): ₹ 198.42 Lakhs
5. CSR spent during the financial year 2019-20:

a)	Total amount to be spent for the financial year 2019-20;	₹ 198.42 Lakhs
b)	Amount unspent	Nil

(c) Manner in which the amount spent during the financial year;

(₹ In Lakhs)

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) specify the state & District where projects or programmes was undertaken	Amount outlay(budget) project or programme wise in Lakhs	Amount spent on the projects or program sub-heads:		Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency.
					1) Direct expenditure on projects or programmes Direct (1)	(2) overheads: Overheads (2) **		
1.	Rehabilitation Centre	Promoting health care including preventive health care	Solan (Himachal Pradesh)	4.69	4.69	-	4.69	Through H.L Somany Foundation
2.	To promote education in the Arts and linking contemporary Culture to historical past	Promoting education	Jaipur (Rajasthan)	12.50	12.50	-	12.50	Through H.L Somany Foundation
3.	Training to Mason – Tile Master Program	Skill Development	Pan India	3.42	6.16	-	6.16	Direct
4.	Promoting education	Promoting education	Delhi	5.00	5.00	-	5.00	Through H. L Somany Foundation
5.	Promoting Education	Promoting Education	New Delhi, Haryana	25.00	25.00	-	25.00	Through H.L Somany Foundation
6.	Construction of public library and Homeopathic dispensary	Promoting education and health care	Mathura (U.P.)	2.40	2.40	-	2.40	Through H.L Somany Foundation
7.	Animal welfare activities ^	Animal Welfare	Shahad (Maharashtra) and Noida & Ghaziabad (Uttar Pradesh)	80.00	80.00	-	80.00	Through H.L Somany Foundation
8.	Education to Economic Weaker Section and E-Education #	Promoting Education	Delhi	31.00	31.00	-	31.00	Through H.L Somany Foundation

1	2	3	4	5	6		7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Area or other (2) specify the state & District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise in Lakhs	Amount spent on the projects or program sub-heads:		Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency.
					1) Direct expenditure on projects or programmes	(2) overheads:		
					Direct (1)	Overheads (2) **		
9.	PM CARES Fund (Contribution to fund set up by Central Government for Socio-Economic Development)	COVID 19 pandemic	New Delhi	25.00	25.00	-	25.00	Through H.L Somany Foundation
10.	Covid -19 Relief and Rehabilitation Expenses	Eradicating Hunger and health care	Delhi/ Gujarat/ Haryana	8.92	8.92	-	8.92	Through H.L Somany Foundation
11.	Overheads**	Overheads**		0.49	-	0.49	0.49	Through H.L Somany Foundation
	Total			198.42	200.67	0.49	201.16	

^The company had given the CSR contribution to the HL Somany Foundation (HLSF). The HLSF has further contributed the said sum for two years project i.e. FY 2019-20 & 2020-21 and same has been spent.

This contribution given by HLSF for two years Project i.e. FY 2019-20 & and 2020-21 and due to COVID-19 and slow progress of the project the amount will be spent in FY 2020-21.

** Overhead means administrative costs of H. L. Somany Foundation.

We hereby affirm that the implementation and monitoring of CSR policy is in compliance with CSR objectives & policy of the Company.

Place: Noida
Date: June 25, 2020

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

Abhishek Somany
Managing Director and
Chairman of the Company CSR Committee
DIN:00021448

ANNEXURE – 5

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

CONSERVATION OF ENERGY

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

(a) Energy conservation measures taken by the Company includes steps taken by the Company for utilising alternate source of energy and the capital investment on energy conservation equipment's:

After up gradation of incoming power supply, the Company optimized the cheapest grid power up to the level of 96.68% which was earlier 63% on 11 KV line it help to reduce the captive power generation and reduced our power cost substantially. Due to high voltage line & independent feeder the reliability of power has improved as power interruptions have gone down thus losses were reduced.

- i. Increase in power trading units at 33 KV which reduced the power cost. Company also traded the highest units i.e. 18.23 million at lowest price compare to the cost of the electricity supplied by grid.
- ii. Replacement of old conventional lights i.e. Mercury/Sodium based street & high bay lights with LED lights which reduced power consumption.
- iii. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers which reduced power consumption.
- iv. Small PLC timer used for the agitators to operate intermittently instead of continuous use.
- v. First time small PLC timer used for the Glaze Ball Mills to stop the mill in auto mode when the grinding time is over which saved the electricity & improve efficiency of the process.
- vi. Energy efficient IE3 motors used in kilns & Horizontal Dryers to reduce electrical power consumption.
- vii. Low power loss capacitor with APFC relays used to maintain a good power factor feeder wise which reduce the voltage drop as well as the distribution losses.
- viii. Replacement of bigger motor with smaller one by using VFD saved more electricity.

- ix. Solar Plant of the company generated more than 1.04 million units which optimised the use of the renewal energy.
 - x. Replacement of old wall tile plant which was started in year 1996 with new plant having more energy efficient machineries and capacity.
 - xi. Installed helical type gear box by replacing worm gearbox for Stirrer of Feed tank which saves electricity.
 - xii. Using inverter to the Fume suction blower of Digital p/m which reduced cost of the electricity.
 - xiii. The capital investment on energy conservation equipment's was ₹ 5.24 Lakhs during the financial year 2019-20.
- (b) Impact of measures (a) above for reduction of energy consumption consequent impact on cost of production of goods.

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

TECHNOLOGY ABSORPTION

A. Research and Development;

- i. Specified areas of R&D

The Company has introduced new sizes, designs and series in most of the product categories which will add great value to already existing product portfolio. Cost saving and process optimizations was done by introducing cost effective alternative of inputs keeping the aesthetic quotient unchanged. During the year, the Company introduced Hydrophobic Ceramic Tile and Germ Shield VC tile.

- ii. Benefits derived as a result of above R&D Development

The introduction of new designs and special effects given to the products has resulted in the good market response for the products of the company. The newly launched products are becoming very much relevant post COVID-19 scenario.

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

- iii Future R & D Plans

The research and development division of the company is always

engage themselves for development of new designs and variety of products to meet the high expectations of the customers.

It endeavors to develop new products which are different in design, effects and sizes with cost optimization.

iv Expenditure on R & D

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

B. Technology absorption, adaptation and innovation

The Company continues to fully adopt and keeps its R&D and Technical staff fully abreast with the latest technologies and products globally.

The Company has not imported any technology during the last three years.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings ₹ 7160.49 Lakhs

Foreign Exchange Outgo ₹ 4083.89 Lakhs

For and on behalf of the Board

Place: Noida
Dated: June 25, 2020

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

ANNEXURE – 6

INFORMATION AS PER SECTION 134 AND SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020.

REMUNERATION PAID TO DIRECTORS

Name of the director	Title	Remuneration in fiscal 2020 (₹ in Lakhs)	Remuneration in fiscal 2019 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2020	% increase of remuneration in 2020 as compared to 2019	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. Shreekant Somany	Chairman and Managing Director	299.60	342.08	Nil	-12.42%	93.46	93.44
Mr. Abhishek Somany	Managing Director	332.70	346.97	Nil	-4.11%	103.79	103.76
Mrs. Anjana Somany	Whole-Time Director	26.88	26.90	Nil	-0.07%	8.39	8.38
Mr. R. K. Daga*	Independent Director	-	6.15	Nil	-100%	0.00	0.00
Dr. Y.K. Alagh*	Independent Director	-	5.45	Nil	-100%	0.00	0.00
Mr. Salil Singhal	Independent Director	1.45	5.75	Nil	74.78%	0.45	0.45
Mr. Ravinder Nath	Independent Director	1.00	5.55	Nil	-81.98%	0.31	0.31
Mr. G. G. Trivedi	Non- Executive Director	1.35	6.00	Nil	-77.50%	0.42	0.42
Mr. Siddharath Bindra	Independent Director	1.60	5.90	Nil	-72.88%	0.50	0.50
Mr. Rameshwar Singh Thakur	Independent Director	1.35	4.57	Nil	-70.46%	0.42	0.42
Mrs. Rumjhum Chatterjee	Independent Director	1.25	3.05	Nil	-59.02%	0.39	0.39
Mr. Tuljaram Maheshwari	Non- Executive Director	0.90	-	Nil	-	0.28	0.28
Mr. Vineet Agarwal	Independent Director	1.20	-	Nil	-	0.37	0.37

* Ceased to be the directors of the company w.e.f. April 1, 2019, owing to attaining the age of 75 years.

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMPS)

Name of the director	Title	Remuneration in fiscal 2020 (₹ in Lakhs)	Remuneration in fiscal 2019 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2020	% increase of remuneration in 2020 as compared to 2019	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE #	Ratio of remuneration to MRE and WTD #
Mr. T. R. Maheshwari	Chief Executive Officer	54.67	115.21	Nil	-52.43%	17.05	17.05
Mr. Saikat Mukhopadhyay	Chief Financial Officer	122.27	102.64	Nil	19.13%	38.14	38.13
Mr. Amrishi Julka	Company Secretary and Compliance Officer	31.03	27.65	Nil	12.23	9.68	9.67

Rounded off to two decimal

RSUs: Restricted Stock Units

WTD: Whole Time Director

MRE: Median Remuneration of Employees

The Median Remuneration of Employees (MRE) excluding Whole-time Directors (WTDs) was ₹3,20,563.50 and ₹2,68,680 in fiscal 2020 and fiscal 2019 respectively. The increase in MRE (excluding WTDs) in fiscal 2020, as compared to fiscal 2019 is 19.31 %.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹3,20,655 and ₹2,68,818 in fiscal 2020 and fiscal 2019 respectively. The increase in MRE (including WTDs) in fiscal 2020, as compared to fiscal 2019 is 19.28 %.

The number of Permanent employees on the rolls of the Company as of March 31, 2020 and March 31, 2019 was 2032 and 2267 respectively.

The aggregate remuneration of employees excluding WTD grew by 4.10 % over the previous fiscal. The aggregate decrease in salary for WTDs and other KMPS was 9.81 % (on annualised basis) in fiscal 2020 over fiscal 2019. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks.

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

Place: Noida

Dated: June 25, 2020

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

ANNEXURE – 7

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

To
The Members of Somany Ceramics Ltd.
2, Red Cross Place,
Kolkata - 700001

1. The Corporate Governance Report prepared by Somany Ceramics Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This Certificate is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on the procedures performed by us and according to the information and explanations given to us, that we are of the opinion that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

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

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration Number: 302049E
Bimal Kumar Sipani

Place: Noida (Delhi-NCR)
Date: June 25, 2020

Partner
Membership Number: 088926
UDIN: 20088926AAAAFL2630

CORPORATE GOVERNANCE REPORT

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2 BOARD OF DIRECTORS

The Composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), having an optimal combination of Executive Directors and Non-Executive Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on March 31, 2020, the Company's Board comprised of Eleven (11) directors, of which three (3) are Executive Directors out of which two are Managing Director and one is Whole Time Director, Six (6) are Independent Directors and two (2) are Non-Executive Non Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company except Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non Independent Director, being paid ₹35 lakh (Rupees Thirty Five Lakh Only) towards Technical Consultancy Fees during the period from August 18, 2019 to August 17, 2020 and Mr. Tuljaram Maheshwari, Non- Executive Non Independent Director being paid ₹44.86 Lakh (Rupees Forty Four Lakh Eighty Six Thousand Only) towards consultancy fee during the period from May 1, 2019 to December 31, 2019 which was approved by the Audit Committee as well as by the Board of Directors of the Company.

It is hereby confirmed that Independent Directors have fulfilled all the conditions of Listing Regulations and they are Independent of the Management. It is hereby further confirmed that none of the Independent Directors resigned during the period under review.

The details of the Directors by category, attendance and other Directorships including Memberships/Chairmanships of Board Committees and number of shares held are:

Director	Category	No. of Board Meetings held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other companies(\$)		No. of shares held
					Chairman	Member	
Mr. Shreekant Somany	P	10	9	Yes	4	1	-
Mr. Abhishek Somany	P	10	10	Yes	1	-	18,49,093*
Mrs. Anjana Somany	P	10	9	No	-	-	10,84,468
Mr. Salil Singhal	I	10	6	No	4	-	-
Mr. Ravinder Nath	I	10	6	No	2	1	-
Mr. Siddharath Bindra	I	10	8	No	-	1	12,000
Mr. Rameshwar Singh Thakur	I	10	5	Yes	1	-	-
Mrs. Rumjhum Chatterjee	I	10	8	No	2	-	-
Mr. Vineet Agarwal #	I	9	6	No	5	5	-
Mr. Ghanshyam Girdharbhai Trivedi	N	10	5	No	1	-	2,000
Mr. Tuljaram Maheshwari ##	N	9	6	No	-	-	-

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

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

and other non-corporate organizations.

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

*These shares are held as Karta of Abhishek Somany (HUF).

Mr. Vineet Agarwal who was appointed as an Additional Director (under the category of Independent Director) w.e.f. May 1, 2019 and was appointed as an Independent Director for a term of five years w.e.f. May 1, 2019 to April 30, 2024 in the 51st Annual General Meeting of the Company held on August 19, 2019.

Mr. Tuljaram Maheshwari was appointed as an Additional Director - Non-Executive & Non-Independent Director w.e.f. May 1, 2019 who was appointed/regularized as Non-Executive & Non-Independent Director in the 51st Annual General Meeting of the Company held on August 19, 2019.

Name of Director	Listed entities where the person is a director	Category of directorship
Mr. Shreekant Somany	Shree Cement Limited	Independent Director
	JK Tyre & Industries Limited	Independent Director
Mr. Abhishek Somany	-	-
Mrs. Anjana Somany	-	-
Mr. Salil Singhal	-	-
Mr. Ravinder Nath	Voith Paper Fabrics India Limited	Independent Director
	Kanoria Chemicals & Industries Limited	Independent Director
Mr. Siddharath Bindra	-	-
Mr. Rameshwar Singh Thakur	-	-
Mrs. Rumjhum Chatterjee	Blue Star Limited	Independent Director
Mr. Vineet Agarwal	Transport Corporation of India Ltd.	Managing Director
	TCI Express Ltd.	Non-Executive Director
	TCI Developers Ltd.	Non-Executive Director
Mr. Ghanshyam Girdharbhai Trivedi	-	-
Mr. Tuljaram Maheshwari	-	-

Key Board Qualification:

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

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

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

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

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

As mandated by Regulation 26 of Listing Regulations, 2015, none of the Directors of the Company are member of more than ten Board Level Committees in Public Companies nor are they Chairman of more than five Board Level Committees in Listed Companies in which they are directors.

INTER-SE RELATIONSHIP OF DIRECTORS

Mr. Shreekant Somany, Chairman & Managing Director of the Company is spouse of Mrs. Anjana Somany, Whole time director and father of Mr. Abhishek Somany, Managing Director of the Company.

BOARD FUNCTIONS

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

- 1 Laying down the corporate philosophy and the mission of the Company;
- 2 Formulating the strategic business plans;
- 3 Setting standard for ethical behavior;
- 4 Compliance with all the rules and regulations;
- 5 Informing shareholders of the various developments within the Company.

MEETING OF THE BOARD OF DIRECTORS

There were Ten (10) Board meetings held during the year 2019-20 i.e. on April 30, May 21, June 17, August 2, August 22, October 1, October 17, November 6 in 2019 and on February 10, March 13 in 2020.

3. CODE OF CONDUCT

The Board of Directors has adopted a Code of Conduct for all Board members and senior management personnel of the Company after suitably incorporating duties of Independent Directors as laid down under Schedule IV to the Companies Act, 2013 and the same is being abided by all on annual basis in terms of Regulation 26(3) of the SEBI (Listing Regulations, 2015). A declaration to this effect, duly signed by Chairman and Managing Director was placed before the Board and is enclosed forming part of this report. The Code of Conduct framed by the Company is posted on the Company's website i.e. www.somanyceramics.com.

4. CHAIRMAN AND MANAGING DIRECTOR (CMD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CMD and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) of the SEBI (Listing Regulations, 2015), certifying

that the financial statements do not contain any materially untrue statement and those statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

As at March 31, 2020, the Audit Committee comprises of four members, with majority of Independent Directors, as members of the Committee meets its constitution requirements, in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Regulations, 2015). The Audit Committee was reconstituted w.e.f. May 1, 2019 by the Board of Directors in their meeting dated April 30, 2019, and Mr. Rameshwar Singh Thakur was appointed as the Chairman of the Committee and Mr. Vineet Agarwal was inducted as member of the Committee.

The Audit Committee was again reconstituted by the Board of Directors in their meeting held on November 6, 2019 upon resignation of Mr. Siddharath Bindra from membership of Audit Committee. Thus, the present constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal and Mr. Ghanshyam Girdharbhai Trivedi are other members of the Audit Committee.

All members of the Audit Committee are financially literate. The Audit Committee members are accomplished professionals from the corporate and academic world. The Company Secretary of the Company acts as the Secretary to the Committee. Minutes of each Audit Committee Meeting is placed and discussed in the next meeting of the Board. The terms of reference of the Audit Committee cover the areas as stipulated under Part C of Schedule II of SEBI (Listing Regulations, 2015) and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors.

Terms of Reference

Brief description of the terms of reference are:-

1. Effective supervision of the financial reporting process, ensuring financial and accounting controls and compliance with the policies of the Company,
2. Periodical interaction with the statutory and internal auditors to ascertain the quality and veracity of the Company's transactions,
3. Grant of Omnibus approval for transactions contemplated to be undertaken by the Company with related parties subject to the approval of shareholders of the Company, as may be required,
4. Review of adequacy and effectiveness of Internal Audit Function and the Internal Control System,
5. Overall direction on the risk management system,

6. Review of the annual and quarterly financial statements with management before submission to the Board,
7. Compliance with listing and other legal requirements relating to financial statements,
8. Review related party transactions,
9. Review the functioning of Vigil Mechanism, qualifications in the audit report, if any,
10. Carry out any other functions as may be specified by the Board from time to time.

Invitees to the Audit Committee

Both the Statutory and Internal Auditors of the Company are regular invitees to the Audit Committee meetings to brief the committee members on the respective reports. The meeting of the Audit Committee is generally attended by the Chairman & Managing Director, Managing Director, Chief Financial Officer and other departmental heads.

Frequency of Meetings

During the year 2019-20, five Audit Committee meetings were held on May 21, August 2, August 22, November 6 in 2019 and on February 10 in 2020.

The maximum gap between any two meetings was less than 120 days.

The attendance of the Audit Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Rameshwar Singh Thakur (Chairman)	5	5
Mr. Vineet Agarwal (Member)	5	5
Mr. Salil Singhal (Member)	5	4
Mr. Ghanshyam Girdharbhai Trivedi (Member)	5	5
Mr. Siddharath Bindra (Member)*	4	2

*Ceased to be a member of Audit Committee w.e.f. November 6, 2019.

The Chairman of the Committee was present at the last Annual General Meeting of the Company to answer shareholders queries.

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. Shreekanth Somany (who chairs the meeting), Mr. Abhishek Somany and Mr. Siddharath Bindra. The Committee met 13 times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, total of 7875 shares were transferred (including transmission) and dispatched within the stipulated time period specified under the laws, documents for which found valid in all respects. There were no pending transfers as on March 31, 2020.

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a Stakeholder's Relationship Committee to oversee redressal of shareholders'/Investors' grievances relating to transfers, transmissions, issue of duplicate share certificate(s) and all other matters concerning shareholders' complaints. Mr. Rameshwar Singh Thakur, Independent Director of the Company is the Chairman of the Committee and other members of the committee are Mr. Siddharath Bindra, Mr. Ghanshyam Girdharbhai Trivedi and Mr. Shreekant Somany. Mr. Ambrish Julka, General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. Total Four meetings of this Committee were held during the year 2019-20, i.e. on May 21, August 2, November 6 in the year 2019 and on February 10 in the year 2020. During the year 10 complaints were received and resolved. There were no complaints of Shareholders pending as on March 31, 2020.

The attendance of the Stakeholders Relationship Committee is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Rameshwar Singh Thakur (Chairman)	4	4
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	4
Mr. Shreekant Somany (Member)	4	4

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of four Non-executive directors, of which more than half are Independent Directors. Mr. Salil Singhal, Non-executive Independent Director is the Chairman of the Committee. Mr. Siddharath Bindra, Non-executive Independent Director, Mr. Rameshwar Singh Thakur, Non-executive Independent Director and Mr. Ghanshyam Girdharbhai Trivedi, Non-executive Non-Independent Director are other members of the Committee.

During the year 2019-20, Three (3) Committee meetings were held i.e. on April 25, May 21 and August 2 in 2019.

The attendance of the Nomination & Remuneration Committee Meetings is given below:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Salil Singhal (Chairman)	3	2
Mr. Siddharath Bindra (Member)	3	1
Mr. Ghanshyam Girdharbhai Trivedi (Member)	3	3
Mr. Rameshwar Singh Thakur (Member)	3	2

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (Listing Regulations, 2015), as and

when applicable and Section 178 of the Companies Act, 2013, that inter-alia includes:

Identifying and selection of candidates for appointment as Directors/ Independent Directors, Key Managerial Personnel (KMP) and as Senior Management employees, based on certain criteria laid down;

Formulate and review from time to time the Policy for selection and appointment of Directors, KMP and senior management employees and their remuneration;

Review and evaluate the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Such other matters as may be prescribed in the Nomination and Remuneration Policy of the Company from time to time.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

The Independent Directors and the Board are evaluated on the basis of the following criteria's i.e. whether they:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bonafide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors;
- Strive to attend and participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;
- Keep themselves well informed about the Company and the external environment in which it operates;

- l) Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time.

Details of the Remuneration paid to Directors during the year 2019-20 are as follows:

Directors	Salary & perquisites (₹) **	Commission for 2018-19 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	2,99,60,428	45,80,413	-	3,45,40,841
Mr. Abhishek Somany*	3,32,70,371	-	-	3,32,70,371
Mrs. Anjana Somany*	26,88,236	-	-	26,88,236
Mr. R. K. Daga@	-	500,000	-	5,00,000
Dr. Y.K. Alagh@	-	500,000	-	5,00,000
Mr. Salil Singhal	-	500,000	1,45,000	6,45,000
Mr. Ravinder Nath	-	500,000	1,00,000	6,00,000
Mr. Siddharath Bindra	-	500,000	1,60,000	6,60,000
Mr. G. G. Trivedi	-	500,000	1,35,000	6,35,000
Mr. Rameshwar Singh Thakur\$	-	4,27,397	1,35,000	5,62,397
Mrs. Rumjhum Chatterjee\$	-	2,90,411	1,25,000	4,15,411
Mr. Vineet Agarwal#	-	-	1,20,000	1,20,000
Mr. Tuljaram Maheshwari#	-	-	90,000	90,000
Mr. G.L. Sultania^	-	73,973	-	73,973

*Managing Directors and Whole time Directors are not entitled for sitting fee.

**The remuneration includes Company's contribution to Provided Fund and leave encashment, the same is being paid in accordance with Schedule V to the Companies Act, 2013. The value of perquisites has been calculated in accordance with the rules framed under the Income Tax Act, 1961.

The services of Chairman & Managing Director, Managing Director and Whole-time Director may be terminated by giving three calendar months' notice or alternatively three months' salary in lieu of notice. No severance fees is payable to them under their respective service agreements entered into by them with the Company.

Apart from sitting fees, the Non-Executive directors of the Company are entitled for commission @1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on August 30, 2018 to Non-Executive Directors of the

Company up to and for the Financial Year ended March 31, 2023.

@ Mr. R. K. Daga and Dr. Y. K. Alagh ceased to be the Independent Director of the Company w.e.f. April 1, 2019. The Commission was paid for the financial year 2018-19 during the FY 2019-20.

\$ Mr. Rameshwar Singh Thakur and Mrs. Rumjhum Chatterjee were appointed as Additional Directors on the Board w.e.f. May 24, 2018 and September 1, 2018 respectively, hence director commission was paid to proportionately from their respective appointment date.

Mr. Vineet Agarwal and Mr. Tuljaram Maheshwari were appointed as Additional Director(s) on the Board w.e.f. May 1, 2019.

^ Mr. G.L. Sultania resigned from the office of Non-Executive & Non-Independent Director w.e.f. May 24, 2018.

Apart from the above remuneration details no other kind of fixed components, performance link incentives are given to the Directors.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Your Company has a CSR Committee, in terms of Section 135 of the Companies Act, 2013. The Chairman of the Committee is Mr. Abhishek Somany, Managing Director of the Company. Mr. Salil Singhal, Mr. Ravinder Nath and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are the other members of the Committee.

During the year ended March 31, 2020, three Committee meetings were held i.e. on May 21 and August 2 in the year 2019 and March 13 in the year 2020, which were attended by the members as under:

Directors	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany	Non-Independent Executive Director	3	3
Mr. Salil Singhal	Independent Director	3	3
Mr. Ravinder Nath	Independent Director	3	2
Mr. Siddharath Bindra	Independent Director	3	1

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters require to be resolve between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended March 31, 2020, one Committee meeting was held on April 15, 2019 which was attended by the members as under:

Directors	Category	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Shreekant Somany	Non-Independent Executive Director	1	1
Mr. Abhishek Somany	Non-Independent Executive Director	1	1
Mr. Salil Singhal	Independent Director	1	1
Mr. Siddharath Bindra	Independent Director	1	1

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the SEBI (Listing Regulations, 2015), a separate meeting of the Independent Directors of the Company was held on February 10, 2020 and attended by the Independent Directors except Mr. Ravinder Nath to review the performance of Non-Independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

7. INDUCTION AND TRAINING OF INDEPENDENT DIRECTOR

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programmes at the time of their appointment as Director. On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction programme giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Company Secretary, briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Business and Functional heads. The details of familiarisation programmes for Independent Directors are uploaded on the website of the Company, i.e. [www.somanyceramics.com](https://www.somanyceramics.com/investor-relation/) at the weblink: <https://www.somanyceramics.com/investor-relation/>

8. EVALUATION OF THE BOARD'S PERFORMANCE

One of the key functions of the Board is to monitor and review the Board evaluation framework. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Regulations, 2015), the Board has carried out evaluation of performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its

Committees, experience and competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholder's interest etc.

9. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the said Committee has laid down a Whistle Blower Policy, duly approved by the Board, providing a platform to all the employees, vendors and customers to report any suspected fraud or error or confirmed incident of fraud /misconduct. The Board has adopted the Policy on Vigil Mechanism and uploaded the same on the Company's website i.e. [www.somanyceramics.com](https://www.somanyceramics.com/pub/media/investorrelation/s/c/scLwhistle_blower_policy-revised.pdf) at the weblink: https://www.somanyceramics.com/pub/media/investorrelation/s/c/scLwhistle_blower_policy-revised.pdf

10. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth of the holding company and its subsidiaries in the immediately preceding accounting year. The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee meeting and Board meeting of the Company. Copies of the Minutes of the Board Meetings of Subsidiary Companies are circulated to all the Directors along with the agenda for the Board Meetings of the Company. The Board has approved and adopted a policy for determining Material Subsidiaries which has been uploaded on the Company's website i.e. [www.somanyceramics.com](https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_on_material_subsidaries_revised__1.pdf) and at the web link i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_on_material_subsidaries_revised__1.pdf

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Regulations, 2015) during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND-AS 24) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. [www.somanyceramics.com](https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf) at the weblink i.e. https://www.somanyceramics.com/pub/media/investorrelation/p/o/policy_related_party_revised_2019.pdf

Omnibus approval granted by Audit Committee for transactions contemplated

to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, if required.

12. GENERAL BODY MEETINGS

The details of all the General Body Meetings conducted in the last 3 years are as under:

Year	Date	Time	Annual General Meeting	Place of Meeting
2019-20	19.08.2019	11:30 A.M.	51 st Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020
2018-19	30.08.2018	11:00 A.M.	50 th Annual General Meeting	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata- 700 020
2017-18	25.08.2017	10.30 A.M.	49 th Annual General Meeting	Lakshmi Pat Singhania Auditorium at PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016

13. SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs/EOGMs

Date of Meeting held	AGM/EOGM	Subject matter of the resolution
19.08.2019	AGM	<ul style="list-style-type: none"> •Re-appointment of Shri Salil Singhal (DIN: 00006629) as an Independent Director for his second term of five (5) consecutive years. •Re-appointment of Shri Ravinder Nath (DIN: 00062186) as an Independent Director for his second term of five (5) consecutive years. •Re-appointment of Shri Siddharath Bindra (DIN: 01680498) as an Independent Director for his second term of five (5) consecutive years. •Alteration in Article 148 of Articles of Association of the Company. •To approve continuation of payment of Remuneration to Shri Shreekant Somany (DIN: 00021423), Chairman and Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. •To approve continuation of payment of Remuneration to Shri Abhishek Somany (DIN: 00021448) Managing Director, who is promoter, in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. •To approve continuation of payment of Remuneration to Smt. Anjana Somany (DIN: 00133542), Whole-time Director, who is promoter in excess of threshold limits as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

30.08.2018	AGM	<ul style="list-style-type: none"> •Re-appointment of Smt. Anjana Somany (DIN: 00133542) as Key Managerial Personnel, designated as Whole-time Director for a further period of 3 (three) years, with effect from May 21, 2019 till May 20, 2022. •Remuneration by way of Commission to Non- Executive directors.
25.08.2017	AGM	<ul style="list-style-type: none"> •Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from September 1, 2017 till August 31, 2020. • Re-appointment of Shri Abhishek Somany (DIN: 00021448) as the Managing Director of the Company for a further period of 5 (Five) consecutive years, commencing from June 1, 2018 till May 31, 2023.

No Extra-Ordinary General Meeting was held during the year under review.

14. DISCLOSURES

There has been no instance of non-compliance by the Company on any matter related to capital markets and hence the question of imposition of penalties or strictures on the Company by the Stock Exchanges or SEBI or any statutory authority, does not arise.

The Company complies with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Regulations, 2015).

The Independent Directors have confirmed that they meet the criteria of 'Independence as stipulated under Regulation 16(1) (b) of the SEBI (Listing Regulations, 2015).

There were no materially significant related party transaction which may have potential conflict with the Interest of the Company at large. During the year under review, no employee of the Company has been denied access to the Audit Committee in respect of suspected fraud or error, if any, under the vigil mechanism adopted by the Board.

The Company has in place a mechanism to inform the Board Members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management and also adopted a Risk Management Policy.

15. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in Jansatta, New Delhi (Hindi Edition), The Financial Express (English Edition) New Delhi, Kolkata & Mumbai and Sangbad Pratidin (Kolkata) (Bengali Edition) newspapers. The results of the Company are submitted to the National Stock Exchange of India Limited and BSE Limited in accordance with the SEBI (Listing Regulations, 2015) and posted on its website: www.somanyceramics.com. The presentations made to Institutional investors/ analysts are available at website of Company i.e. www.somanyceramics.com at the web link at <https://www.somanyceramics.com/investor-relation>.

16. MANAGEMENT DISCUSSION AND ANALYSIS" IS A PART OF THE ANNUAL REPORT."**17. GENERAL SHAREHOLDER'S INFORMATION**

Registered Office:
2, Red Cross Place, Kolkata – 700 001
Phone: 033-22487406/5913,
Email: ambrish.julka@somanyceramics.com

Plant locations

- V & P.O Kassar, Bahadurgarh Distt. Jhajjar, Haryana - 124507
Phone: 01276-223300 Fax : 01276-241011
Email: saikat.mukhopadhyay@somanyceramics.com
- GIDC Industrial Area,
Distt. Mehsana, Kadi, Gujarat 382715
Ph : 02764-242153/54, Fax : 02764-263011

18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 52nd Annual General Meeting of the Company will be held on Tuesday, the August 18, 2020 at 12:00 Noon through Video Conferencing or Other Audio Visual Means.

19. FINANCIAL CALENDAR: APRIL 1 TO MARCH 31

Financial Reporting for 2020-2021 is as follows:

First Quarter : Second week of August, 2020
Second Quarter : Second week of November, 2020

Third Quarter : Third week of January, 2021
Fourth Quarter : Fourth week of May, 2021

20. BOOK CLOSURE DATE

August 11, 2020 to August 18, 2020 (both days inclusive)

21. DIVIDEND

During the year, the Company has declared interim dividend of ₹2 per equity shares of ₹2/- each for the year ended March 31, 2020.

The Board of Directors have declared payment of interim dividend of ₹2/- per equity share of ₹2/- as final dividend for the year ended March 31, 2020.

22. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2020-21.

National Stock Exchange of India Limited (NSE)
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
Trading Symbol :- SOMANYCERA
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code : 531548
Demat ISIN Number for NSDL and CDSL: INE 355A01028

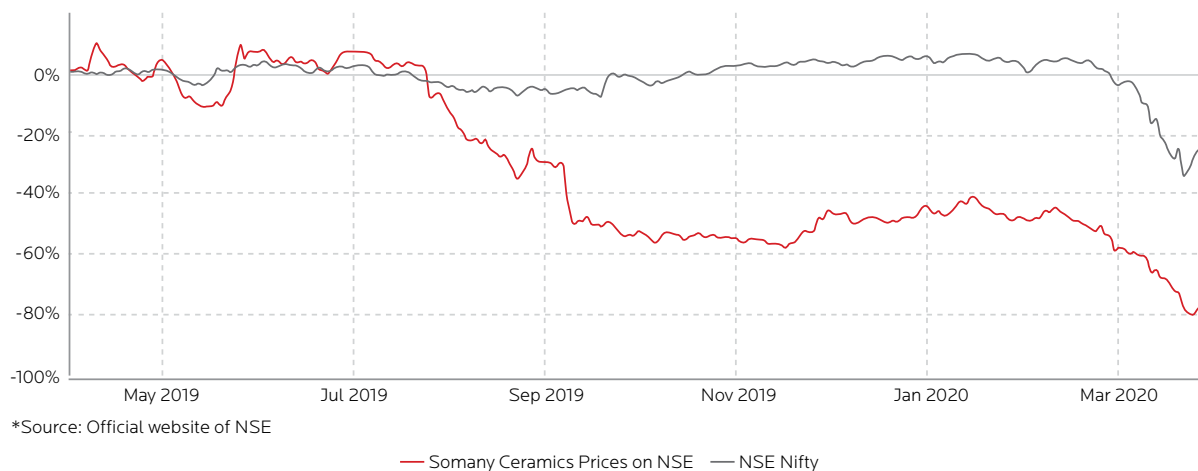
Market Price Data:

No. of Equity Shares	National Stock Exchange of India Limited*			BSE Limited*		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares Traded
Apr-19	471.65	393.10	7,86,035	472.00	395.60	33,547
May-19	462.75	360.05	13,80,862	459.95	361.00	1,99,020
Jun-19	450.00	405.70	5,85,504	449.00	405.30	50,963
Jul-19	453.85	347.10	4,01,812	453.00	347.20	18,297
Aug-19	361.95	251.75	3,20,552	357.60	254.00	29,450
Sep-19	292.65	185.00	44,30,794	295.00	185.10	3,23,591
Oct-19	205.00	174.00	12,83,071	207.00	174.50	50,819
Nov-19	234.35	170.35	28,33,180	234.80	171.55	1,30,500
Dec-19	232.50	199.95	16,91,079	232.00	199.50	68,395
Jan-20	252.50	207.95	19,25,617	252.85	208.00	86,632
Feb-20	230.20	164.20	15,25,991	230.05	165.20	36,979
Mar-20	179.35	76.85	16,79,343	179.15	77.00	82,234

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES

Somany Ceramics Limited Price on NSE & NSE NIFTY



23. REGISTRAR & SHARE TRANSFER AGENT

(Both for physical and demat segment) Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road,
5th Floor, Kolkata – 700 001
Phone No. 033-2243 5809/2248 2248 E-mail: mdpldc@yahoo.com

24. SHARE TRANSFER SYSTEM

The Company's shares are traded on stock exchanges in compulsory demat mode. From April 1, 2019 SEBI has mandated that Shareholders holding shares in physical form and intend to transfer their shares, can do so only in dematerialized form. Therefore Members holding shares in physical form were informed vide letter/e-mail to consider converting their shares in dematerialized form. In the case of transmission, the shares lodged with the physical shares lodged with the Company /RTA with valid documents are transmitted and share certificate are returned in physical form within time prescribed under SEBI Regulations.

25. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	12583	89.29	1024660	2.42
501 to 1000	707	5.02	558710	1.32
1001 to 2000	331	2.35	507751	1.20
2001 to 3000	121	0.86	304018	0.72
3001 to 4000	64	0.45	232326	0.55
4001 to 5000	58	0.41	272235	0.64
5001 to 10000	110	0.78	787902	1.86
10001 and Above	119	0.84	38691824	91.30
Total	14093	100.00	4,23,79,426	100.00

Categories of Shareholding as on March 31, 2020.

Category	Number of Shares	Percent
Indian Promoters	21810767	51.47
Mutual Funds & UTI, Alternate Investment Funds	7727063	18.24
Banks, Financial Institutions, Insurance	614385	1.45
Companies		
NBFCs Registered with RBI	0	0.00
Foreign Portfolio Investors	899228	2.12
Foreign Portfolio Investors (Individual)	10,000	0.02
Foreign Institutional Investors	-	-
Corporate Bodies	1292310	3.05
Indian Public	8225929	19.41
NRIs/Foreign Companies	1234857	2.91
Investor Education and Protection Fund Authority	161324	0.38
Trusts	0	0.00
Clearing Members	403563	0.95
Total	4,23,79,426	100.00

26. DEMATERIALISATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialised form in CDSL are 17,01,979 (4.01%) and in NSDL are 4,03,95,077 (95.32%) representing 4,20,97,056 (99.33%) Equity shares of the paid-up capital of the Company as on March 31, 2020. The total shares held in physical form are 2,82,370 (0.67%).

27. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

During the year 2019-20, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date, which would have an impact

on the equity of the Company.

28. STOCK OPTIONS

The Company has not issued any stock option.

29. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2019-20, there are no significant commodity price risk, further necessary steps are being taken to minimize foreign exchange risks.

30. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Pradeep Pincha of Pincha & Co., Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate Affairs or such any other authority. This certificate is enclosed as Annexure – A.

31. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

Mr. Saikat Mukhopadhyay, Chief Financial Officer at: F-36, Sector-6, Noida – 201301, Uttar Pradesh. Phone: 0120 - 4627900

Email: saikat.mukhopadhyay@somanyceramics.com

Shareholder's Enquiries: Individuals may contact

Mr. Shyamalendu Banerjee at:

2, Red Cross Place, Kolkata – 700 001

Phone : 033-22487406/ 5913

Email : sclinvestors@somanyceramics.com

Pursuant to the Uniform Listing Agreement entered by the Company with Stock Exchanges, the Company has created email-id for the redressal of investor grievances viz: sclinvestors@somanyceramics.com

32. CREDIT RATINGS

The Company has maintained the rating from CRISIL for Bank Loan and from ICRA for Commercial Paper during the year 2019-20 as under:-

Rating Agency	Rating	
CRISIL	Long-term Rating	AA-
	Short-term Rating	A1+
ICRA	Commercial Paper	A1+

33. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

During the year, the Company has complied with the mandatory requirements as stipulated in the Listed Regulations.

With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations, the Company has adopted the following non-mandatory requirements:

- During the year under review, there is no audit qualification on the company's Financial Statements.
- The Internal Auditor can report directly to the Audit Committee.

34. Details pertaining to utilization of funds

Out of ₹11,999.97 Lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7170.66 Lakhs (including issue expenses of ₹307.34 Lakhs) for the purpose the funds were so raised and balance ₹4829.31 Lakhs has been temporarily invested mainly in the debt instruments/funds.

OTHER DISCLOSURES

The Company has paid a total fee of ₹ 19.65 Lakhs during the year under review to M/s. Singhi & Co., the Statutory Auditors of the Company. None of the subsidiary of the Company or other entities forming part of the same network availed services of the said Auditors during the year under review.

There was no any recommendation of any committee of the Board, which had not been accepted by the Board of Directors during the year under review.

35. Complaints Pertaining to Sexual Harassment

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year.	Nil

36. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 52ND ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING REGULATIONS, 2015).

Mr. Shreekant Somany

Aged about 72 years, Mr. Somany (DIN: 00021423) is a graduate and holds Bachelor degree in Science. He has over four decades of rich experience in Ceramics Tiles, Sanitary-ware and Glass industry. He is on the Board of the Company since September 1, 1992 and has taken many innovative steps to make the organization a world class Company in ceramic tiles. He played a significant role in the invention of the company's patented product VC (Veil craft) Shield, which is a High Abrasion Resistant Glaze Tile. He contributes and holds prestigious offices in social and intellectual organizations. He was a member of the CII Delegation to Russia led by Union Commerce Minister in September 2009. The details of his directorship and membership in other Companies are given below:

Sl. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Position held in		
			Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
1	SR Continental Limited	Director	-	-	-
2	Shree Cement Limited	Director	Member	Member	
3	Somany Bathware Limited (formerly known as Somany Global Limited)	Director	-	-	-
4	JK Tyre & Industries Limited.	Director	Member	-	Member

For and on behalf of the Board
For Somany Ceramics Limited

Shreekant Somany
Chairman and Managing Director
DIN No.: 00021423

37. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended March 31, 2020.

Shreekant Somany
Chairman and Managing Director

Place : Noida
Date: June 25, 2020

38. CMD/CFO CERTIFICATION

The Board of Directors
Somany Ceramics Limited

We have reviewed the financial statements and the cash flow statement of Somany Ceramics Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations
- (b) There are, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes, if any, in the internal control over financial reporting during the year.
- (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

Shreekant Somany
Chairman and Managing Director
DIN: 00021423

Saikat Mukhopadhyaya
Chief Financial Officer

Place: Noida
Date: June 25, 2020

Annexure-A**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Somany Ceramics Limited
2, Red Cross Place, Kolkata-700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Somany Ceramics Limited having CIN L40200WB1968PLC224116 and having registered office at 2, Red Cross Place, Kolkata-700 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in the Company
1.	Shri Shreekant Somany	00021423	01/09/1992
2.	Shri Abhishek Somany	00021448	03/09/2001
3.	Shri Salil Singhal	00006629	27/07/2002
4.	Shri Rameshwar Singh Thakur	00020126	24/05/2018
5.	Shri Ghanshyam Girdharbhai Trivedi	00021470	01/09/2017
6.	Shri Ravinder Nath	00062186	26/09/2003
7.	Smt. Anjana Somany	00133542	24/03/2015
8.	Smt. Rumjhum Chatterjee	00283824	01/09/2018
9.	Shri Siddharath Bindra	01680498	26/05/2014
10.	Shri Tuljaram Maheshwari	00063688	01/05/2019
11.	Shri Vineet Agarwal	00380300	01/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pinchaa & Co.
Company Secretaries
Pradeep Pincha

Partner
M.No. FCS 5369
C. P. No.:4426
UDIN: F005369B000317109

Dated: June 4, 2020
Place: Jaipur

STANDALONE
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Somany Ceramics Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of Somany Ceramics Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of

the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade and other receivables</p> <p>We refer to Note 5, 6, 7, 10, 13, 14 and 16, Note 2.18 to the financial statements.</p> <p>As disclosed in Notes to the financial statements, the Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>The carrying amount of trade and other receivables of the company was ₹40,260.68 Lakhs as at March 31, 2020. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits (ICD) and business exigencies for other receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other receivables and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables. We have obtained year end balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables to be reasonable.</p>

S.N.	Key Audit Matter	Auditor's Response
2.	<p>Valuation of inventories</p> <p>We refer to Note 8 and 2.15 to the financial statements.</p> <p>As at March 31, 2020, the total carrying amount of inventories was ₹19,195.34 Lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments</p> <p>As disclosed in Note 9 to the financial statements.</p> <p>As at March 31, 2020, the total carrying amount of current investments was ₹3,322.03 Lakhs. Current investments include quoted equity shares and debentures. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit procedures included updating our understanding of the processes employed by the Company for accounting and valuing their current investments. We have reviewed year end confirmation of depository participants. We have verified that the Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held as at March 31, 2020. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. 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 Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 financial statements of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
 - ii. The Company did not have material foreseeable losses in 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 Company.

Place: Noida (Delhi-NCR)
Date: June 25, 2020

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFM9253

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Somany Ceramics Limited)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, physical verification of property, plant & equipment of one of manufacturing plant has been conducted by the external agency, for which reconciliations with records is under process. As informed to us reconciliation process could not be completed as sudden lock down declared due to Covid -19 Pandemic.
- c. The title deeds of all the immovable properties included under the head 'Property, plant and equipment' are held in the name of the Company.
- (ii) The management has conducted physical verification of inventories during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loans to the companies covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not, prima facie prejudicial to the interest of the Company. The Company has stipulated schedule of repayment of principal and payment of interest and repayment of principal and interest are regular, wherever applicable. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted, investments made and guarantee or security given. There is no loan granted or guarantee or security provided under section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014 for the product manufactured by the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company, the Company is regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues, where applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount * (₹ in Lakhs)	Forum where dispute is pending
The Sales Tax Act / The Value Added Tax	Demand of Entry Tax	2013-2017	38.88	High Court of Kolkata
	Demand of Turnover Tax	2006-08 and 2011-13	239.93	Deputy Commissioner, Commercial Taxes, Ahmedabad
The Income Tax Act, 1961	Demand of Income Tax including penalties	Assessment Year 2012-13 and 2014-15 to 2015-16	17.44	Commissioner of Income Tax (Appeal), Kolkata
		Assessment Year 2016-2017 to 2017-18	2.42	Commissioner of Income Tax (Appeal), Kolkata

*Exclude matters in respect of which favorable order has been received at various appellate authorities

- (viii) The Company has not defaulted in repayment of dues to banks. However, the Company has availed moratorium of three months towards repayment of one term loan of ₹418.24 lakhs as per RBI Guideline. The Company did not have any borrowing from Financial Institution, Government and dues to debenture holders.
- (ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFM9253

Place: Noida (Delhi-NCR)
Date: June 25, 2020

ANNEXURE B'

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Somany Ceramics Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 financial statements.

Meaning of Internal Financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

Because of the inherent limitations of Internal Financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over the financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, however same need to be further strengthened.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAA AFM9253

Place: Noida (Delhi-NCR)
Date: June 25, 2020

Standalone Balance Sheet

as at March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	39,997.55	37,797.94
Capital work-in-progress		472.26	1,273.22
Right of use Assets	3 (ii)	3,252.30	-
Other Intangible Assets	3 (iii)	415.11	569.23
Financial Assets			
(i) Investments	4	6,468.01	6,368.01
(ii) Loans	5	4,479.60	4,058.79
(iii) Other Financial Assets	6	961.59	911.36
Other Non-Current Assets	7	15.81	113.49
		56,062.23	51,092.04
Current Assets			
Inventories	8	19,195.34	16,205.62
Financial Assets			
(i) Investments	9	3,322.03	6,855.18
(ii) Trade Receivables	10	27,301.09	41,008.43
(iii) Cash and Cash Equivalents	11	794.83	2,400.52
(iv) Bank Balances other than (iii) above	12	48.49	556.33
(v) Loans	13	3,030.00	6,720.00
(vi) Other Financial Assets	14	1,267.54	1,007.07
Current Tax Assets (net)	15	1,031.22	264.48
Other Current Assets	16	3,205.05	3,227.55
		59,195.59	78,245.18
Total Assets		1,15,257.82	1,29,337.22
Equity and Liabilities			
Equity			
Equity Share Capital	17	847.59	847.59
Other Equity	18	57,527.17	58,361.21
		58,374.76	59,208.80
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	19	6,613.42	9,145.10
(ii) Lease Liability		2,461.55	-
(iii) Others Financial Liabilities	20	2,343.40	2,474.11
Provisions	21	605.91	456.32
Deferred Income	22	386.68	-
Deferred Tax Liabilities (Net)	23	2,878.99	4,698.52
Other Non-Current Liabilities	24	282.01	338.38
		15,571.96	17,112.43
Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	18,416.67	15,646.56
(ii) Lease Liability		626.29	-
(iii) Trade Payables	26		
Outstanding dues of Micro Enterprises & Small Enterprises		553.66	87.53
Outstanding dues other than Micro Enterprises & Small Enterprises		12,954.47	26,032.54
(iv) Other Financial Liabilities	27	3,553.57	4,533.16
Other Current Liabilities	28	4,972.33	6,630.43
Provisions	29	234.11	85.77
		41,311.10	53,015.99
Total Equity and liabilities		1,15,257.82	1,29,337.22
Significant Accounting Policies and other Notes to Standalone Financial Statements	1 to 58		
The accompanying Notes are an integral part of the Standalone Financial Statements			

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani

Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Ambrish Julka
GM - Legal and Company Secretary

Standalone Statement of Profit and Loss for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Income			
Revenue from Operations	30	1,59,525.06	1,69,554.98
Other Income	31	1,709.93	2,170.08
Total Revenue (I)		1,61,234.99	1,71,725.06
II. Expenses			
Cost of Materials Consumed	32	19,203.73	20,280.57
Purchases of Stock-in-Trade		83,876.18	85,542.23
Change in Inventories of Finished Goods ,			
Work-in-progress and Stock-in-Trade	33	(2,726.61)	(1,934.32)
Employee Benefits Expense	34	17,317.51	16,717.77
Finance Costs	35	2,180.88	2,611.68
Depreciation and Amortisation Expense	3	4,243.97	3,100.15
Other Expenses	36	34,404.05	37,480.20
Total Expenses (II)		1,58,499.71	1,63,798.28
III. Profit Before Exceptional Items and Tax (I-II)		2,735.28	7,926.79
IV. Exceptional Items (Net)	46	2,618.26	741.28
V. Profit before tax (III-IV)		117.02	7,185.51
VI. Tax Expense:			
(1) Current Tax	23		
- Current year		455.52	2,027.30
- For earlier years		122.21	31.20
(2) Deferred Tax Charge/(Credit)	23	(1,786.93)	497.34
VII. Profit for the year (V-VI)		1,326.22	4,629.67
VIII. Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(149.23)	(31.47)
Income Tax relating to above	23	32.60	11.00
(2) Items that will be reclassified to profit & loss		-	-
IX. Total Comprehensive Income for the year (VII-VIII)		1,209.59	4,609.20
Earnings Per Equity Share (Per Share Value of ₹2 each)	37		
Basic (in ₹)		3.13	10.92
Diluted (in ₹)		3.13	10.92
Significant Accounting Policies and other Notes to Standalone Financial Statements	1 to 58		
The accompanying Notes are an integral part of the Standalone Financial Statements			

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani
Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Ambrish Julka
GM - Legal and Company Secretary

Standalone Statement of Change in Equity for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Less: Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74	-	-
Add: Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74	-	-
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity

Particulars	Reserves and Surplus							Total
	Special Reserve	Capital Reserve	Capital Redemption Reserve	Security Premium	General Reserve	Total Retained earnings		
						Retained earnings	Remeasurement of defined benefit plans	
Balance at March 31, 2018	-	-	0.03	16,389.03	5,035.33	33,713.47	(12.48)	55,125.38
Transfer from amalgamating companies \$ *	661.71	214.17	78.40	602.74	339.92	2,825.70	-	4,722.64
Addition pursuant to Scheme of Amalgamation *	-	(4,716.59)	-	-	-	-	-	(4,716.59)
Profit for the year	-	-	-	-	-	4,629.69	-	4,629.69
Transfer to General Reserve #	(661.71)	-	-	-	661.71	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(20.47)	(20.47)
Total comprehensive income for the year	-	(4,502.42)	78.40	602.74	1,001.63	7,455.39	(20.47)	4,615.27
Dividend Paid	-	-	-	-	-	1,144.240	-	1,144.24
Dividend Distribution Tax	-	-	-	-	-	235.20	-	235.20
Balance at March 31, 2019	-	(4,502.42)	78.43	16,991.77	6,036.96	39,789.42	(32.95)	58,361.21
Profit for the year	-	-	-	-	-	1,326.22	-	1,326.22
Other Comprehensive Income for the year	-	-	-	-	-	-	(116.63)	(116.63)
Total comprehensive income for the year	-	-	-	-	-	1,326.22	(116.63)	1,209.59
Dividend Paid	-	-	-	-	-	1,695.18	-	1,695.18
Dividend Distribution Tax	-	-	-	-	-	348.45	-	348.45
Balance at March 31, 2020	-	(4,502.42)	78.43	16,991.77	6,036.96	39,072.01	(149.58)	57,527.17

* Refer Note No 56.

Special Reserve was created out of retained earnings of Amalgamating Companies as per norms of RBI for NBFC companies. After giving effect to the scheme of amalgamation, the Company is not required to carry Special Reserve as per norms of RBI hence transferred to General Reserve.

\$ includes Amalgamation Reserve of ₹191.27 lakhs transferred from amalgamating companies.

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Capital Reserve : It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation [Refer Note No. 56] of ₹4716.59 lakhs and can be utilized in accordance with the provisions of Companies Act, 2013, b.) Amalgamation Reserve of ₹191.27 lakhs, c.) Reserve against maturity of special bearer bonds of RBI and Bonus Shares received by amalgamating Companies. The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani
Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Ambrish Julka
GM - Legal and Company Secretary

Standalone Cash Flow Statement for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	117.02	7,185.51
I. Adjusted For :		
Depreciation and Amortisation Expense	4,243.97	3,100.15
Finance Costs	2,180.88	2,611.68
Interest Income	(1,423.25)	(1,687.39)
Profit on Divestment in Subsidiary (Investments) (Net)	-	(532.03)
(Profit)/Loss on Sales of Investments (Net)	(28.39)	(244.03)
Unrealized Foreign Exchange (Gain)/Loss (Net)	(12.22)	(18.86)
Net Movement on Fair Value of Current Investments	8.45	(62.17)
Provision for Credit Losses	804.20	283.22
Bad Debts	19.82	104.33
Exceptional Item	2,618.26	-
Sundry Balances Written Off	107.38	17.80
Sundry Balance Written Back	(533.38)	(249.50)
(Profit)/Loss on sale of Property Plant and Equipment (Net)	128.96	52.76
Property, Plant and Equipment Discarded /Written off	112.85	25.29
Operating Profit Before Working Capital Changes	8,344.55	10,586.76
II. Adjusted For :		
Trade and Other Receivables	13,264.42	9,316.27
Inventories	(2,989.72)	(554.11)
Trade and Other Payables	(13,892.81)	(1,456.91)
Cash Generated from Operation	4,726.44	17,892.01
Income Taxes Refund /(Paid)	(1,344.47)	(2,894.99)
Net Cash Flow from Operating Activities (A)	3,381.97	14,997.01
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(5,439.28)	(4,450.48)
Sale of Property, Plant and Equipment	325.94	322.41
Investments in Subsidiaries	(100.00)	(1,629.57)
Sale of Investment in Subsidiary	-	857.03
Purchase of Current Investments	(3,086.05)	(67,639.40)
Sale of Current Investments	4,845.26	72,526.96
Redemption of Preference Shares	117.81	-
Interest Received	1,114.74	1,541.57
Inter-Corporate Deposit Given	(960.81)	(9,766.79)
Inter-Corporate Deposit Received Back	3,370.00	-
Net Cash Outflow in Investing Activities (B)	187.61	(8,238.27)

Standalone Cash Flow Statement for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	187.87	4,192.35
Repayment of Non Current Borrowings	(3,322.99)	(2,918.88)
Current Borrowings (net)	3,870.19	(3,452.92)
Proceeds from Short Term Loans	28,172.26	16,550.00
Repayment of Short Term Loans	(29,272.33)	(14,838.80)
Payment of Lease Liability	(877.52)	-
Interest Paid	(1,889.12)	(2,650.89)
Dividend Paid (including dividend distribution tax)	(2,043.63)	(1,379.45)
Net Cash Inflow from Financing Activities (C)	(5,175.27)	(4,498.59)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(1,605.69)	2,260.15
Add: Opening Cash And Cash Equivalents	2,400.52	139.92
Add: Opening Cash And Cash Equivalents pursuant to Scheme of amalgamation	-	0.45
	2,400.52	140.37
Closing		
Closing Cash and Cash Equivalents	794.83	2,400.52

Notes :

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS – 7 “Statement of Cash Flows”.
- Cash & Cash Equivalents represents cash and bank balances (Note No.11).
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- Additional Disclosure required under Ind AS 7, Refer Note No. 52.
- The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani

Partner
M. No. 088926

Place: Noida

Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director
DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

1 Reporting Entity

Somany Ceramics Limited referred to as “the Company” is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the directors on June 25, 2020.

2 Significant Accounting Policies

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The standalone financial statements of Somany Ceramics Limited (“the Company”) comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liabilities/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market

participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee (‘INR’), which is the Company’s functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit & Loss in the period in which they are incurred.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities

or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised/settled or intended to be sold or consumed 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 and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.7 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5000 are fully depreciated in the year of purchase.

Capital work-in-progress (CWIP)

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount

expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.14 Revenue Recognition

The Company recognises revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- i) effective control of goods alongwith significant risks and rewards of ownership has been transferred to customer and in case of services, the year in which such services are rendered.
- ii) the amount of revenue can be measured reliably;
- iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc. For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognised at cost.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

c) Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus, in the 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.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through Profit & Loss (FVTPL)

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit & Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through Profit & Loss include financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit & Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit & Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.20 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a 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 leases 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. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the 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.

Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease

arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognised as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset. ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under Notes forming part of the Financial Statement.

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.23 Government Grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2020.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, plant and equipment (2019-20)

Particulars	Gross Block					Depreciation					Net Block	
	March 31, 2019	Transfer to Right of Use Assets	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer to Right of Use Assets	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Tangible Assets												
Freehold land	581.39	-	-	-	581.39	-	-	-	-	-	581.39	581.39
Buildings	7,524.63	-	2,233.61	4.97	9,753.27	1,000.35	-	372.67	1.24	1,371.78	6,524.28	8,381.49
Plant and equipments	28,332.72	-	3,308.65	382.75	31,258.62	3,256.90	-	1,474.68	93.70	4,637.88	25,075.82	26,620.74
Office Equipments	1,280.22	-	232.75	15.61	1,497.36	538.21	-	290.38	10.51	818.08	742.01	679.28
Furniture and fixtures	3,972.77	-	328.37	32.11	4,269.03	922.40	-	736.86	18.60	1,640.66	3,050.37	2,628.37
Vehicles	2,237.67	-	268.03	487.49	2,018.21	753.54	-	389.53	231.14	911.93	1,484.13	1,106.28
Assets under Finance Lease												
Leasehold lands	343.97	(343.97)	-	-	-	4.03	(4.03)	-	-	-	339.94	-
Total	44,273.37	(343.97)	6,371.41	922.93	49,377.88	6,475.43	(4.03)	3,264.12	355.19	9,380.33	37,797.94	39,997.55

3. (ii) Right of Use Assets (2019-20) (Refer note no.54)

Particulars	Gross Block					Amortization					Net Block	
	March 31, 2019	Transfer From PPE as per IndAS 116	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Right of use Assets												
Leasehold lands	-	343.97	-	-	343.97	-	4.03	4.09	-	8.12	-	335.85
Buildings	-	-	3,693.87	-	3,693.87	-	-	777.42	-	777.42	-	2,916.45
Total	-	343.97	3,693.87	-	4,037.84	-	4.03	781.51	-	785.54	-	3,252.30

3. (iii) Other Intangible Assets (2019-20)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2019	Additions	Deletions/ Adjustment	March 31, 2020	March 31, 2019	For the year	Deletions/ Adjustment	March 31, 2020	March 31, 2019	March 31, 2020
Intangible Assets										
Computer Softwares	1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11
Total	1,032.19	44.22	-	1,076.41	462.96	198.34	-	661.30	569.23	415.11

3. (i) Property, plant and equipment (2018-19)

Particulars	Gross Block				Depreciation				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustment	March 31, 2019	March 31, 2018	For the year	Deletions/ Adjustment	March 31, 2019	March 31, 2018	March 31, 2019
Tangible Assets										
Freehold land	581.39	-	-	581.39	-	-	-	-	581.39	581.39
Buildings	7,397.07	142.07	14.51	7,524.63	653.73	347.99	1.37	1,000.35	6,743.34	6,524.28
Plant and equipments	27,325.44	1,255.88	248.60	28,332.72	1,928.22	1,380.40	51.72	3,256.90	25,397.22	25,075.82
Office Equipments	1,139.93	151.65	11.36	1,280.22	291.97	254.20	7.96	538.21	847.96	742.01
Furniture and fixtures	2,724.57	1,251.22	3.02	3,972.77	421.91	501.47	0.98	922.40	2,302.66	3,050.37
Vehicles	1,972.65	631.26	366.24	2,237.67	525.31	409.47	181.24	753.54	1,447.34	1,484.13
Assets under Finance Lease										
Leasehold land	96.90	247.07	-	343.97	2.38	1.65	-	4.03	94.52	339.94
Total	41,237.95	3,679.15	643.73	44,273.37	3,823.52	2,895.18	243.27	6,475.43	37,414.43	37,797.94

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

3. (iii) Other Intangible Assets (2018-19)

Particulars	Gross Block				Amortization				Net Block	
	March 31, 2018	Additions	Deletions/ Adjustment	March 31, 2019	March 31, 2018	For the year	Deletions/ Adjustment	March 31, 2019	March 31, 2018	March 31, 2019
Intangible Assets										
Computer Softwares	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23
Total	1,028.59	3.60	-	1,032.19	257.99	204.97	-	462.96	770.60	569.23

Note:

- Addition to Plant & Machinery includes foreign exchange loss capitalized ₹ Nil (Previous year ₹52.46 lakhs).
- Assets pledged and Hypothecated against borrowings: Refer Note No. 19 & 25.

4. Non-current Investments

	As At March 31, 2020	As At March 31, 2019
Investment in Equity Instruments (Unquoted, fully paid up)		
Subsidiary Companies (measured at cost)		
a) 1,85,000 Equity Shares (Previous Year - 1,85,000) of ₹10/- each of SR Continental Limited*	18.50	18.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹10/- each of Somany Bathware Limited (Formerly known as Somany Global Limited)*	50.00	50.00
c) 53,04,000 Equity Shares (Previous year - 53,04,000) of ₹10/- each of Amora Tiles Private Limited	530.40	530.40
d) 76,50,000 Equity Shares (Previous year - 76,50,000) of ₹10/- each of Somany Fine Vitrified Private Limited	765.00	765.00
e) 35,10,000 Equity Shares (Previous year - 25,10,000) of ₹10/- each of Somany Excel Vitrified Private Limited*	351.00	251.00
f) 50,49,000 Equity Shares (Previous year - 50,49,000) of ₹10/- each of Somany Sanitaryware Private Limited	550.01	550.01
g) 45,00,000 Equity Shares (Previous year - 45,00,000) of ₹10/- each of Vintage Tiles Private Limited \$	1,399.50	1,399.50
h) 25,35,000 Equity Shares (Previous year - 25,35,000) of ₹10/- each of Vicon Ceramic Private Limited \$	253.50	253.50
i) 90,00,000 Equity Shares (Previous year - 90,00,000) of ₹10/- each of Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)	900.00	900.00
j) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹10/- each of Acer Granito Private Limited \$	511.00	511.00
k) 45,90,000 Equity Shares (Previous year - 45,90,000) of ₹10/- each of Amora Ceramics Private Limited	459.00	459.00
l) 9,48,141 Equity Shares (Previous Year - 9,48,141) of ₹10/- each of Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (Subsidiary w.e.f. May 1, 2018)	680.10	680.10
	6,468.01	6,368.01
	6,468.01	6,368.01
* including share held by the nominee share holders.		
\$ Considered as subsidiary under Ind-AS.		
a. Aggregate amount of investments are given below:		
Aggregate cost of unquoted investments	6,468.01	6,368.01
Aggregated amount of impairment in value of investment	-	-
b. None of the above investments are listed on any stock exchange in India or outside India.		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

5. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- With Related Parties #	4,229.60	3,708.79
- With Others	250.00	350.00
	4,479.60	4,058.79

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

6. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	99.28	93.54
Bank Deposit held as Margin Money	151.76	142.61
Security Deposits		
- With Related Parties#	105.00	105.00
- With Others	605.55	570.21
	961.59	911.36

For details of security deposits to related parties, refer Note No. 43, Related Party Transactions.

7. Other Non-Current Assets

	As At March 31, 2020	As At March 31, 2019
Capital Advance	2.61	83.69
Prepaid Expenses	13.20	29.80
	15.81	113.49

8. Inventories

	As At March 31, 2020	As At March 31, 2019
(Valued at Lower of Cost and Net Realisable Value)		
(As taken, Valued and Certified by the Management)		
Raw Materials and Packing Materials	2,127.74	2,059.44
Work -in-Progress	729.87	625.91
Finished Goods	10,231.56	7,855.22
Stock in Trade	4,178.44	3,668.35
Stores and Spares	1,927.73	1,996.70
	19,195.34	16,205.62

- Inventories are hypothecated to secure borrowings. Refer to Note No. 19 & 25.
- During the year ₹9.43 lakhs (Previous year Nil) was credited to the Statement of Profit and Loss on account of reversal of write down of inventories. The charge to Statement of Profit and Loss on account of above during the year amounted to Nil (Previous year ₹199.40 lakhs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

9. Current Investments

	As At March 31, 2020	As At March 31, 2019
A) Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)		
a) 400 Units (Previous Year - 500 Units) 9.70% U P Power Corporation Limited 04.07.2031 Bonds (NCD)	420.08	524.20
b) Nil Units (Previous Year - 111 Units) 10.20% SREI Infrastructure Finance Limited. 23.03.2020 (NCD)	-	1,110.00
c) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Limited (NCD) 2027	812.54	825.85
d) 103 Units (Previous Year - 108 Units) 9.00 % Shriram Transport Finance Co. Limited 28.03.2028 (NCD)	1,023.16	1,079.78
e) 105,500 Units (Previous Year - 105,500 Units) 9.60% SREI Infrastructure Finance Ltd 25.05.2028 (NCD)	1,066.07	1,053.94
f) Nil Units (Previous Year - 20 Units) 7.37% NTPC 2031	-	183.60
g) Nil Units (Previous Year - 201 Units) 7.20% Power Grid Corporation Ltd 2027#	-	1,861.26
h) Nil Units (Previous Year - 10 Units) 7.65% Konkan Railway Corporation Ltd	-	96.10
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)		
Nil (Previous Year - 57,691 Units) HDFC Liquid Fund-Growth	-	2.11
C) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)		
550 Equity Shares (Previous Year - 550 Equity Shares) of ₹2/- each of Punjab National Bank Limited	0.18	0.53
D) Investment in Preference Shares measured at cost		
Nil (Previous Year - 11,78,100) 5% Non-Cumulative Non-Convertible Redeemable Preference shares of ₹10/- each of Somany Fine Vitrified Private Limited (Subsidiary company)	-	117.81
	3,322.03	6,855.18
# Pending transfer in the name of the Company refer note 46.		
Aggregate Book Value of Quoted Investments	0.18	2.64
Aggregate Market Value of Quoted Investments	0.18	2.64
Aggregate Book Value of Un-Quoted Investments	3,321.85	6,852.54
Aggregate amount of impairment in value of investments	-	-

10. Trade Receivables

	As At March 31, 2020	As At March 31, 2019
Unsecured		
Considered Good	25,628.87	39,846.34
Have Significant increase in Credit Risk	2,673.89	1,718.50
Considered Doubtful - Credit Impaired	346.33	10.14
	28,649.09	41,574.98
Less: Allowances for credit losses	1,348.00	566.55
	27,301.09	41,008.43

- For details of receivable from related parties, refer Note No. 43, Related Party Transactions.
- Trade Receivables are hypothecated to secure borrowings. Refer to Note 19 & 25.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

11. Cash and Cash Equivalents

	As At March 31, 2020	As At March 31, 2019
Balance with Banks		
- Current Accounts	784.30	2,383.44
Cash on Hand	10.53	17.08
	794.83	2,400.52

12. Other Bank Balances

	As At March 31, 2020	As At March 31, 2019
Earmarked Balances with Banks	100.07	94.34
Bank Deposits (Pledged with Government Departments)	99.28	93.54
Less:- Shown Under "Other Financial Assets"(More than 12 months)	151.76	142.61
Bank Deposits held as Margin Money	151.76	142.61
Less:- Shown Under "Other Financial Assets"(More than 12 months)	47.70	555.53
Unclaimed Dividend Accounts		
	48.49	556.33

13. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- To Related Parties#	-	880.00
- To Others	3,030.00	5,840.00
	3,030.00	6,720.00

For details of loans to related parties, refer Note No. 43, Related Party Transactions.

14. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
Accrued Interest	1,167.10	940.79
Deposit with others	33.21	49.77
Others	67.23	16.51
	1,267.54	1,007.07

15. Current Tax Assets (net)

	As At March 31, 2020	As At March 31, 2019
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹16017.41 lakhs) (previous year ₹15698.35 lakhs)	1,031.22	264.48
	1,031.22	264.48

16. Other Current Assets

	As At March 31, 2020	As At March 31, 2019
Prepaid Expenses	244.59	162.63
Export Incentive Receivable	236.66	423.70
Other Advances#	1,922.76	1,290.10
Indirect Tax Recoverable/adjustable	832.67	1,370.14
	3,236.68	3,246.57
Less: Allowances for credit losses	31.63	19.02
	3,205.05	3,227.55

For details of advances to related parties, refer Note No. 43, Related Party Transactions.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

17. Equity Share Capital

	As At March 31, 2020	As At March 31, 2019
Authorised		
Equity Shares 13,65,00,000 (Previous Year - 12,50,00,000) of ₹2/-each*	2,730.00	2,500.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year - 4,23,79,426) of ₹2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding as on April 1, 2018	4,23,79,426	847.59
Equity Shares issued/bought back during the year	-	-
Outstanding at the March 31, 2019	4,23,79,426	847.59
Less:- Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Add:- Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Outstanding at the March 31, 2020	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As At March 31, 2020	As At March 31, 2019
i) Abhishek Somany - in capacity of Trustee Of Shakthi Family Trust	1,00,80,055	-
ii) Shrivatsa Somany - in capacity of Trustee Of Sanrakshith Family Trust	43,37,872	-
iii) Shreekant Somany - in capacity of Trustee Of Srijan Family Trust	43,37,872	-
iv) Franklin Build India Fund	37,50,000	-
v) Franklin Templeton Mutual Fund	-	37,50,000
vi) Bhilwara Holding Limited*	-	92,02,200
vii) Sarvottam Vanijay Limited*	-	63,32,500
viii) Scope Vinimoy Private Limited*	-	35,52,500
ix) L And T Mutual Fund Trustee Limited	25,25,577	23,28,590
	2,50,31,376	2,51,65,790

* Refer Note No. 56.

18. Other Equity

	As At March 31, 2020	As At March 31, 2019
Special Reserve		
Balance at the beginning of the year	-	-
Addition/ (Transfer) during the year on Amalgamation	-	661.71
Less:- Transferred to General Reserve	-	(661.71)
Closing balance	-	-
Capital Reserve		
Balance at the beginning of the year	(4,502.42)	-
Addition/ (Transfer) during the year on Amalgamation	-	(4,502.42)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,502.42)	(4,502.42)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	As At March 31, 2020	As At March 31, 2019
Capital Redemption Reserve		
Balance at the beginning of the year	78.43	0.03
Addition/ (Transfer) during the year on Amalgamation	-	78.40
Addition/ (Transfer) during the year	-	-
Closing balance	78.43	78.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,389.03
Addition/ (Transfer) during the year on Amalgamation	-	602.74
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,036.96	5,035.33
Addition/ (Transfer) during the year on Amalgamation	-	339.92
Addition/ (Transfer) during the year	-	661.71
Closing balance	6,036.96	6,036.96
Retained earnings		
Balance at the beginning of the year	39,789.42	33,713.47
Addition/ (Transfer) during the year on Amalgamation	-	2,825.70
Profit for the year	1,326.22	4,629.69
Amount available for appropriation	41,115.64	41,168.86
Less : Appropriation:		
Dividend Distributed	1,695.18	1,144.24
Dividend Distribution Tax	348.45	235.20
Closing Balance	39,072.01	39,789.42
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(32.95)	(12.48)
Other Comprehensive Income for the year	(116.63)	(20.47)
Closing Balance	(149.58)	(32.95)
Total Retained Earnings	38,922.43	39,756.47
Total Other Equity	57,527.17	58,361.21

19. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured		
Term Loans		
- from Banks	8,827.86	11,643.02
Car Loans		
- From Banks	807.10	1,108.61
	9,634.96	12,751.63
Less: Current Maturities of Non Current Borrowings		
Term loans		
- from Banks	2,738.62	3,233.40
Car Loans		
- from Banks	282.92	373.13
	3,021.54	3,606.53
	6,613.42	9,145.10

Notes

- a Rupee loan of ₹2603.49 lakhs (Previous Year ₹3635.25 lakhs) from a Bank is secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is ₹1618.23 lakhs and ₹985.26 lakhs in FY21 and FY22 respectively.
- b Rupee loan of ₹6224.37 lakhs (Previous Year ₹7220.27 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹1120.39 lakhs, ₹1891.80 lakhs, ₹2091.80 lakhs and ₹1120.38 lakhs in FY21, FY22, FY23 and FY24 respectively.
- c Rupee loan of ₹ Nil (Previous Year ₹337.50 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.
- d Rupee loan of ₹ Nil (Previous Year ₹450.00 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future.
- e The Company has availed moratorium of three months towards repayment of one term loan of ₹418.24 lakhs as per RBI Guideline.
- f Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- g Rate of interest applicable to all term loans is linked with MCLR.

20. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Trade Deposits	2,343.40	2,107.69
Security Deposits	-	163.92
Others	-	202.50
	2,343.40	2,474.11

21. Provisions (Non Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	605.91	456.32
	605.91	456.32

22. Deferred Income

	As At March 31, 2020	As At March 31, 2019
Grants related to Property, Plant and Equipment	386.68	-
	386.68	-

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

23. Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at March 31, 2019	Recognised in P&L		Recognised in OCI	As at March 31, 2020
		Reversal due to change in Tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	455.94	(117.61)	364.75	32.60	735.68
Others	-	-	43.13	-	43.13
Sub- Total (a)	455.94	(117.61)	407.88	32.60	778.81
Deferred Tax Liabilities					
Property, plant and equipments & Intangible assets	5,136.63	(1,437.03)	(59.63)	-	3,639.97
Others	17.83	-	-	-	17.83
Sub- Total (b)	5,154.46	(1,437.03)	(59.63)	-	3,657.80
Net Deferred Tax Liability (b)-(a)	4,698.52	(1,319.42)	(467.51)	(32.60)	2,878.99

Particulars	As at April 1, 2018	Recognised in P&L		Recognised in OCI	As at March 31, 2019
		Reversal due to change in Tax rate	At current tax rate		
Deferred Tax Assets					
Accrued expenses	376.19	-	68.75	11.00	455.94
Others	-	-	-	-	-
Sub- Total (a)	376.19	-	68.75	11.00	455.94
Deferred Tax Liabilities					
Property, plant and equipments & Intangible assets	4,578.61	-	558.02	-	5,136.63
Others	9.76	-	8.07	-	17.83
Sub- Total (b)	4,588.37	-	566.09	-	5,154.46
Net Deferred Tax Liability (b)-(a)	4,212.18	-	497.34	(11.00)	4,698.52

B. Amounts recognised in statement of profit & loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current year	455.52	2,027.30
Income tax for earlier year	122.21	31.20
	577.73	2,058.50
Deferred tax expense		
Origination and reversal of temporary differences	(1,786.93)	497.34
	(1,786.93)	497.34
Total Tax Expense	(1,209.20)	2,555.84

C. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred Tax (Charge)/Credit		
Remeasurements of defined benefit obligation	32.60	11.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

D. Reconciliation of effective tax rate

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rate	Amount	Rate	Amount
Accounting profit before tax		117.02		7,185.53
Tax using the Company's domestic tax rate	25.17%	29.45	34.94%	2,510.91
Tax effect of:				
Non-deductible expenses		51.71		106.15
Changes in estimates related to prior years		122.21		31.20
Lower tax rate on gain on sale of investment		-		(61.95)
Impact of opening deferred tax assets/liabilities due to change in tax rate		(1,319.42)		-
Others		(93.15)		(30.47)
		(1,209.20)		2,555.84

Note: The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year.

24. Other Non-Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Security Deposits	401.18	395.05
Less: Current Maturities	119.17	56.67
	282.01	338.38

25. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured Loans:		
Working Capital Facilities from Banks*		
- Working Capital Demand Loan	1,692.62	-
- Cash Credit	3,022.99	5,670.34
Unsecured Loans:		
- From a Banks (Repayable on demand)	3,700.00	4,800.07
- Discounting of Bills Payable	10,001.06	5,176.15
	18,416.67	15,646.56

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of current assets including stocks of raw materials, finished goods and stock in progress, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged.

26. Trade Payables

	As At March 31, 2020	As At March 31, 2019
Outstanding dues of Micro Enterprises and Small Enterprises*	553.66	87.53
Outstanding dues other than Micro Enterprises and Small Enterprises	12,954.47	26,032.54
	13,508.13	26,120.07

* For MSME disclosure, refer Note No. 50.

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

27. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Current Maturities of Non Current Borrowings	3,021.54	3,606.53
Interest Accrued	1.84	-
Capital Creditors	368.80	274.48
Unclaimed Dividends	47.70	555.53
Others	113.69	96.62
	3,553.57	4,533.16

28. Other Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Statutory Dues	375.41	1,796.87
Security Deposits - Current maturities of Other Non Current Liabilities	119.17	56.67
Advance from Customers	745.23	405.27
Sales Incentive	1,861.59	2,574.85
Others* #	1,870.93	1,796.77
	4,972.33	6,630.43

*includes accruals to employees and others

For details of payables to related parties, refer Note No. 43, Related Party Transactions.

29. Provisions (Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	234.11	85.77
	234.11	85.77

30. Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of Goods	1,58,270.24	1,68,513.11
Less: Capitalized/ Transferred to CWIP	25.31	-
	1,58,244.93	1,68,513.11
Other operating revenue		
Scrap Sales	214.06	229.20
Sundry Balance Written Back	533.38	249.50
Insurance Claim Received	172.69	158.17
Income From Services	360.00	405.00
	1,280.13	1,041.87
	1,59,525.06	1,69,554.98

31. Other Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	1,423.25	1,687.39
Profit on Sale of Current Investments	28.39	244.03
Net Gain on Fair Value of Current Investments	-	62.17
Net Gain on Foreign Currency Translations and Transactions	101.99	46.66
Miscellaneous Income	156.30	129.83
	1,709.93	2,170.08

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

32. Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material Consumed	15,910.50	16,806.24
Packing Material Consumed	3,434.52	3,474.33
	19,345.02	20,280.57
Less: Capitalized/ Transferred to CWIP	141.29	-
	19,203.73	20,280.57

33. Change in Inventories of Finished Goods Work-in-progress and Stock-in-Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Closing Stock		
Finished Goods	10,231.56	7,855.22
Stock-in-Trade	4,178.44	3,668.35
Total Finished Goods	14,410.00	11,523.57
Work-in-Progress	729.87	625.91
	15,139.87	12,149.48
Less: Opening Stock		
Finished Goods*	8,119.00	6,770.87
Stock-in-Trade	3,668.35	3,008.83
Total Finished Goods	11,787.35	9,779.70
Work-in-Progress	625.91	435.46
	12,413.26	10,215.16
(Increase)/ Decrease in Stock	(2,726.61)	(1,934.32)
	(2,726.61)	(1,934.32)

* current year figures includes ₹263.78 lakhs transfer on commissioning of New product line on January 8, 2020.

34. Employee Benefit Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, Wages, Bonus etc.	16,014.58	15,455.13
Contribution towards Provident Fund and Gratuity Fund	743.87	711.11
Workmen & Staff Welfare	583.16	551.53
	17,341.61	16,717.77
Less: Capitalized/ Transferred to CWIP	24.10	-
	17,317.51	16,717.77

35. Finance Costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	1,938.24	2,541.84
Interest expense on lease liabilities	271.49	-
Other Borrowing Costs	76.92	69.84
	2,286.65	2,611.68
Less: Capitalized/ Transferred to CWIP	105.77	-
	2,180.88	2,611.68

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

36. Other Expenses

	For the year ended March 31, 2020		For the year ended March 31, 2019	
Stores and Spare Parts Consumed		2,265.18		2,692.83
Power & Fuel		16,286.54		18,350.90
Repairs and Maintenance:				
Buildings		102.37		126.17
Plant & Machinery		339.86		316.08
Others		143.17		162.06
Rent		155.99		1,003.87
Rates & Taxes		228.28		246.61
Insurance		495.08		445.20
Travelling and Conveyance		1,911.07		2,187.05
Freight Outward and Handling Charges		3,122.49		3,632.03
Advertisement and Sales Promotion		5,163.85		4,863.43
Commission to Agents		297.05		433.01
CSR Expenses (Refer Note no. 55)		201.16		216.72
Provision for Credit Losses		804.20		283.23
Bad Debts	29.94		136.76	
Less: Provision for Credit Loss Reversed	10.13	19.82	32.43	104.33
Investment Written off			89.30	
Less: Provision for Diminution in Investment		-	89.30	-
Sundry Balances Written Off		107.38		17.80
Loss on Sale of Property, Plant and Equipments (net)		128.96		52.76
Property, Plant and Equipments Discarded /Written off		112.85		25.29
Net Loss on Fair Value of Current Investments		8.45		-
Other Expenses*		2,662.04		2,320.83
		34,555.79		37,480.20
Less: Capitalized/ Transferred to CWIP		151.74		-
		34,404.05		37,480.20

* For Payment to Statutory Auditor, Refer Note No. 45.

37. Earning per share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year	1,326.22	4,629.67
Weighted average number of equity shares of ₹2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	3.13	10.92

38. Contingent liabilities, contingent assets and commitments as identified by the Company

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2020	As at March 31, 2019
1. Claim and other demands against the Company not acknowledged as debts.	173.94	168.65
2. Sales Tax and purchase tax demands, among others against which the Company has preferred appeals.	239.93	239.93
3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	-	36.53
4. Income tax and wealth tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	26.57	25.97

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company.	15.41	15.41

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expect any payment in respect of the above contingent liabilities.

B. Others

In light of judgment of Hon'ble Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	50.69	353.70

(ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company has committed to a bank, for the same, in respect of one of the subsidiary. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.

39. Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Particulars	Outstanding as at March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Trade Deposits				
Commander Vitrified Private Limited	-	-	-	253.55
Vintage Tiles Private Limited	-	-	-	526.00
Vicon Ceramic Private Limited	-	-	-	326.50
Somany Sanitaryware Private Limited	-	-	-	700.00
Somany Fine Vitrified Private Limited	-	-	-	239.19
Acer Granito Private Limited	-	-	-	450.00
Inter Corporate Deposits				
Amora Ceramics Private Limited	260.10	260.10	260.10	286.64
Sudha Somany Ceramics Private Limited (formerly Sudha Ceramics Private Limited)	1,257.00	1,457.00	1,257.00	1,257.00
Somany Sanitaryware Private Limited	940.00	940.00	1,230.00	1,230.00
Acer Granito Private Limited	550.00	550.00	450.00	450.00
Vintage Tiles Private Limited	526.00	526.00	526.00	526.00
Somany Fine Vitrified Private Limited	357.00	357.00	239.19	239.19
Vicon Ceramic Private Limited	339.50	539.50	526.50	526.50
Somany Excel Vitrified Private Limited	-	100.00	100.00	110.00
Security Deposit Given				
Sudha Somany Ceramics Private Limited (formerly Sudha Ceramics Private Limited)	105.00	105.00	105.00	105.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

40. Foreign exchange exposures outstanding at the year-end:

Particulars		Amount	Amount	Amount	Amount
		(Foreign Currency in lakhs)	(Equivalent ₹ in lakhs)	(Foreign Currency in lakhs)	(Equivalent ₹ in lakhs)
		March 31, 2020		March 31, 2019	
Open Exposures					
Receivables	USD	6.62	497.18	12.73	-
Receivables	CNY	0.01	0.04	-	-
Payables	USD	1.06	80.23	15.05	-
Payables	EURO	2.81	235.67	0.26	20.02
Payables	CNY	0.32	3.30	-	-

41. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

Name	Terms of repayments of Outstanding balance	For the year ended		Outstanding as on	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Sudha Somany Ceramics Private Limited	After one year	400.00	1,155.00	1,257.00	1,257.00
Amora Ceramics Private Limited	After one year	-	-	260.10	260.10
Acer Granito Private Limited	After one year	250.00	300.00	550.00	300.00
Acer Granito Private Limited	With in One Year	-	150.00	-	150.00
Vintage Tiles Private Limited	After one year	-	526.00	526.00	526.00
Commander Vitrified Private Limited	With in One Year	-	345.00	345.00	345.00
Somany Sanitaryware Private Limited	After one year	440.00	-	940.00	500.00
Somany Sanitaryware Private Limited	With in One Year	-	730.00	-	730.00
Somany Fine Vitrified Private Limited	After one year	117.81	-	357.00	239.19
Somany Excel Vitrified Private Limited	After one year	-	110.00	-	100.00
Vicon Ceramic Private Limited	After one year	339.50	-	339.50	-
Vicon Ceramic Private Limited	With in One Year	-	200.00	-	526.50
Sungloss Ceramic Industries	After one year	-	-	250.00	250.00
Zealous Financial Services Private Limited	With in One Year	-	585.00	1,085.00	1,085.00
Tinna Rubber & Infrastructure Limited	After one year	-	-	-	100.00
JSTI Investment Limited	With in One Year	-	800.00	295.00	800.00
AM Mobile Telecom Private Limited	With in One Year	-	1,400.00	805.00	1,400.00
AM Professional Services Private Limited	With in One Year	-	400.00	300.00	400.00
Devang Consultancy Services Private Limited	With in One Year	-	300.00	200.00	300.00
Kushagra Properties Private Limited	With in One Year	-	300.00	-	300.00
Mentor Financial Services Private Limited	With in One Year	-	910.00	-	910.00
J R Laddha Financial Services Private Limited	With in One Year	-	300.00	-	300.00

The above loans carries interest rate in the range of 9.50% to 12.00% (Previous Year 9.50% to 14.50%)

b) Details of investments made is given in Note No. 4 and 9.

c) Details of guarantee and security given in Note No. 38 (C) (ii).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

42. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Contribution to Provident Funds	592.96	576.69

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 34) of the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

Particulars	March 31, 2020			March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	1,490.46	1,511.87	(21.41)	1,365.16	1,385.81	(20.65)
Included in profit & loss						
Current service cost	152.55	-	152.55	136.02	-	136.02
Interest cost / (income)	114.17	(115.81)	(1.64)	105.25	(106.85)	(1.60)
Past Service Cost including curtailment Gains/(Losses)	-	-	-	-	-	-
	266.72	(115.81)	150.91	241.27	(106.85)	134.42
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	(1.00)	-	(1.00)	-	-	-
- financial assumptions	114.81	-	114.81	6.02	-	6.02
- experience adjustment	(26.45)	-	(26.45)	44.66	-	44.66
- on plan assets	-	61.87	61.87	-	(19.21)	(19.21)
	87.36	61.87	149.23	50.68	(19.21)	31.47
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(178.39)	-	(178.39)	(166.65)	-	(166.65)
	(178.39)	-	(178.39)	(166.65)	-	(166.65)
Closing Balance	1,666.15	1,565.81	100.34	1,490.46	1,511.87	(21.41)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

B. Plan assets

Particulars	March 31, 2020	March 31, 2019
Fund managed by insurer	100%	100%
	100%	100%

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 34) of the Statement of Profit and Loss.

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.66%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The company expects to pay ₹178.37 lakhs (Previous Year ₹147.82 lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(65.70)	50.90	(58.75)	45.51
Expected rate of future salary increase (0.5% movement)	49.17	(65.05)	43.97	(58.17)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Standalone Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

43. Related parties as identified by the Company

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany [^]	Chairman & Managing Director
Mr. Abhishek Somany [^]	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany [^]	Whole time Director (Wife of Chairman & Managing Director)
Mr. G.G. Trivedi	Non- Executive Director
Mr. T.R. Maheshwari [^]	CEO upto April 16, 2019 & Additional Director from May 1, 2019 to August 18, 2019 and Non-Executive Director w.e.f. August 19, 2019
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO)
Mr. Ambrish Julka [^]	GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director (upto May 24, 2018)
Mr. Siddarath Bindra	Independent Director
Mr. R.K. Daga	Independent Director upto March 31, 2019
Mr. Ravindra Nath	Independent Director
Mr. Salil Singhal	Independent Director
Mr. Y. K. Alagh	Independent Director upto March 31, 2019
Mr. Rameshwar Singh Thakur	Independent Director w.e.f. May 24, 2018
Mrs. Rumjhum Chatterjee	Independent Director w.e.f. September 1, 2018
Mr. Vineet Agarwal	Additional Director from May 1, 2019 to August 18, 2019 and Independent Director w.e.f. August 19, 2019

[^] KMP under the Companies Act, 2013

ii Subsidiary Company

- SR Continental Limited
- Somany Bathware Limited (Formerly known as Somany Global Limited)
- Amora Tiles Private Limited
- Somany Fine Vitrified Private Limited
- Somany Sanitaryware Private Limited
- Somany Excel Vitrified Private Limited
- Vintage Tiles Private Limited
- Commander Vitrified Private Limited (Ceases W.e.f. July 1, 2018)
- Vicon Ceramic Private Limited
- Acer Granito Private Limited
- Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)
- Amora Ceramics Private Limited
- Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (w.e.f. May 1, 2018)

iii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

- H. L. Somany Foundation

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- iv. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

Schablona India Limited

- v. Other related parties with which Company has transactions:

Name

Trans India Ceramics Private Limited	Private company in which director is a director
Vidres India Ceramics Private Limited	Private company in which director is a director
Yogi Cerachem Private Limited	Private company in which director is a director
Ishiv India Solutions Private Limited	Private company in which director's relative is a director
Biba Apparels Private Limited	Private company in which director is a director
TCI-Concor Multimodal Solutions Private Limited	Private company in which director is a director
Transport Corporation of India Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives
TCI Express Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives

B. Transactions with related parties

	For the year ended	
	March 31, 2020	March 31, 2019
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	299.60	296.28
- Commission	-	45.80
Outstanding at the year-end:		
- Remuneration Payable	3.66	10.16
- Commission Payable	-	45.80
Mr. Abhishek Somany		
- Remuneration	332.70	346.97
- Commission	-	-
- Rent Paid	9.84	9.36
Outstanding at the year-end:		
- Remuneration Payable	9.32	14.88
- Commission Payable	-	-
Mrs. Anjana Somany		
- Remuneration	26.88	26.90
- Rent Paid	3.36	3.20
Outstanding at the year-end:		
- Remuneration Payable	0.26	1.76
Mrs. Minal Somany		
- Remuneration	27.15	27.15
- Rent Paid	14.56	15.14
Outstanding at the year-end:		
- Salary Payable	1.31	1.30
Mr. G.G. Trivedi		
- Consultancy Fees	34.99	33.00
- Commission	-	5.00
- Sitting Fees	1.35	1.00
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. T.R. Maheshwari		
- Remuneration	54.67	115.20

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
- Consultancy Fees	44.86	-
- Sitting Fees	0.90	-
- Reimbursement of Expenses	0.05	-
Outstanding at the year-end:		
- Salary Payable	-	4.51
- Advance Receivable	-	30.00
Mr. Saikat Mukhopadhyay		
- Remuneration	122.27	102.64
Outstanding at the year-end:		
- Salary Payable	2.19	3.95
Mr. Ambrish Julka		
- Remuneration	31.03	27.66
Outstanding at the year-end:		
- Salary Payable	2.41	1.30
Non- Executive/Independent Directors		
Mr. G. L. Sultania		
- Commission	-	0.74
- Sitting Fees	-	0.30
Outstanding at the year-end:		
- Commission Payable	-	0.70
Mr. Siddharath Bindra		
- Commission	-	5.00
- Sitting Fees	1.60	0.90
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. R.K. Daga		
- Commission	-	5.00
- Sitting Fees	-	1.15
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Ravindra Nath		
- Commission	-	5.00
- Sitting Fees	1.00	0.55
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Salil Singhal		
- Commission	-	5.00
- Sitting Fees	1.45	0.75
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Y. K. Alagh		
- Commission	-	5.00
- Sitting Fees	-	0.45
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. Rameshwar Singh Thakur		
- Commission	-	4.27
- Sitting Fees	1.35	0.30
- Reimbursement of Expenses	1.23	-
Outstanding at the year-end:		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
- Commission Payable	-	4.06
Mrs. Rumjhum Chatterjee		
- Commission	-	2.90
- Sitting Fees	1.25	0.15
Outstanding at the year-end:		
- Commission Payable	-	2.76
Mr. Vineet Agarwal		
- Sitting Fees	1.20	-
Summary of payment made to KMP		
Short term employee benefits*	904.42	1,032.06
Other Payments	108.89	60.70
* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
b) With Subsidiary Companies are as under		
SR Continental Limited		
- Rent paid	0.24	0.24
- Payment made on their behalf	9.54	11.60
Outstanding at the year end:		
- Trade payable	0.18	-
Somany Bathware Limited		
- Payment made on their behalf	0.84	1.35
Amora Tiles Private Limited		
- Purchase of goods	5,229.55	6,416.63
- Technical services Income	-	45.00
Outstanding at the year end:		
- Other Receivable	365.54	232.63
Somany Sanitaryware Private Limited		
- Purchase of goods	4,836.32	4,990.57
- Sales of goods	509.30	249.83
- Interest received	119.85	109.60
- Deposit received back	-	700.00
- ICD given	180.00	1,230.00
- ICD received back	470.00	-
- Payment made on their behalf	6.87	-
Outstanding at the year-end:		
- Trade Receivable	429.54	81.14
- Interest receivable	274.24	209.99
- Trade payable	817.21	1,017.17
- ICD recoverable	940.00	1,230.00
Somany Fine Vitrified Private Limited		
- Purchase of goods	9,876.68	8,556.71
- Interest received	25.39	25.11
- ICD Given	117.81	-
Outstanding at the year-end:		
- Interest receivable	45.64	22.79
- Trade payable	2,309.52	3,054.68
- ICD recoverable	357.00	239.19
Somany Excel Vitrified Private Limited		
- ICD given	-	110.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
- ICD received back	100.00	10.00
- Interest received	5.52	4.07
- Investment in Equity Shares	100.00	100.00
- Payment made on their behalf	0.55	-
Outstanding at the year-end:		
- ICD recoverable	-	100.00
- Interest receivable	8.63	3.66
Vintage Tiles Private Limited		
- Purchase of goods	11,570.49	12,905.49
- Fees received for technical services	180.00	180.00
- Interest received	63.12	62.77
- Deposit received back	-	526.00
- ICD given	-	526.00
Outstanding at the year-end:		
- Other receivable	403.12	-
- Trade payable	-	612.41
- ICD recoverable	526.00	526.00
Commander Vitrified Private Limited		
- Purchase of goods	-	1,618.72
- Interest received	-	7.24
Vicon Ceramic Private Limited		
- Purchase of goods	3,115.76	4,258.08
- Interest received	42.29	51.41
- ICD given	13.00	200.00
- ICD received back	200.00	-
- Investment in equity shares	-	65.00
Outstanding at the year-end:		
- Interest receivable	119.59	81.53
- Trade payable	115.81	448.18
- ICD recoverable	339.50	526.50
Acer Granito Private Limited		
- Purchase of goods	8,215.07	9,341.19
- Fees received for technical services	180.00	180.00
- Interest received	40.02	36.17
- Deposit received back	-	450.00
- ICD given	250.00	450.00
- ICD received back	150.00	-
Outstanding at the year-end:		
- Interest receivable	19.81	7.99
- Trade payable	717.06	1,651.17
- ICD recoverable	550.00	450.00
Sudha Somany Ceramics Private Limited (Formerly Sudha Ceramics Private Limited)		
- Purchase of goods	6,544.64	27.23
- Sale of goods	-	4.63
- Sale of Fixed Asset	6.13	-
- Rent Paid	6.75	-
- Investment in equity shares	-	538.83
- ICD given	400.00	1,155.00
- ICD received back	400.00	-
- Security deposit given	-	105.00

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
- Interest received	155.44	99.54
Outstanding at the year-end:		
- Interest receivable	134.84	90.78
- Security deposit receivable	105.00	105.00
- Trade Payable	629.27	27.50
- ICD recoverable	1,257.00	1,257.00
Amora Ceramics Private Limited		
- Purchase of goods	4,335.67	3,014.57
- Interest received	27.31	27.50
- Investment in equity shares	-	245.64
Outstanding at the year-end:		
- ICD recoverable	260.10	260.10
- Trade payable	421.05	260.06
- Interest receivable	24.58	-
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited)		
- Investment in equity shares	-	680.10
- Purchase of goods	2,150.08	2,025.40
- Sale of goods	11.30	-
Outstanding at the year-end:		
- Trade payable	218.68	248.54
c) With Other Related Parties are as under:-		
Schablona India Limited		
- Purchase of goods	10.90	90.57
- Rent Paid	4.67	-
- Sales of goods	3.74	117.61
- Rent received	0.24	0.45
Outstanding at the year-end:		
- Trade payables	1.03	-
- Trade receivable	575.59	575.59
Biba Apparels Private Limited		
- Sale of goods	-	3.67
Outstanding at the year-end:		
- Trade receivable	-	1.75
- Other Payables	1.66	-
TCI Express Limited		
- Purchase of Services	59.22	-
Outstanding at the year-end:		
- Trade payables	28.96	-
TCI-Concor Multimodal Solutions Private Limited		
- Purchase of Services	2.71	-
Outstanding at the year-end:		
- Trade payables	1.16	-
Transport Corporation of India Limited		
- Purchase of Services	212.43	-
Outstanding at the year-end:		
- Trade payables	22.87	-
Yogi Cerachem Private Limited		
- Purchase of goods	-	4.21
Vidres India Ceramics Private Limited		

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
- Purchase of goods	2,537.45	3,189.25
- Sale of Fixed Assets	-	7.18
Outstanding at the year-end:		
- Trade payable	358.54	346.92
H. L. Somany Foundation		
- Contribution towards CSR Activities	195.00	202.84
- Payments made on their behalf	-	5.70
Ishiv India Solution Private Limited		
- Purchase of goods	49.87	164.94
- Services received	-	2.77
Outstanding at the year-end:		
- Trade payable	7.39	8.47
Trans India Ceramics Private Limited		
- Purchase of goods	398.73	-
- Services received	18.31	-
Outstanding at the year-end:		
- Trade payable	3.16	-

For guarantee and surety given to related parties, refer Note 38(C)(ii).

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash. Terms and conditions for Loan refer note no.41.

44. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments				
Current	3,322.03	-	6,737.37	117.81
Loans				
Non current	-	4,479.60	-	4,058.79
Current	-	3,030.00	-	6,720.00
Trade receivables	-	27,301.09	-	41,008.43
Cash and cash equivalents	-	794.83	-	2,400.52
Bank balances other than above	-	48.49	-	556.33
Others				
Non current	-	961.59	-	911.36
Current	-	1,267.54	-	1,007.07
	3,322.03	37,883.14	6,737.37	56,780.31
Financial liabilities				
Borrowings				
Non current	-	6,613.42	-	9,145.10
Current	-	18,416.67	-	15,646.56
Lease Liability				
Non current	-	2,461.55	-	-
Current	-	626.29	-	-

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Other financial liabilities				
Non Current	-	2,343.40	-	2,474.11
Current	-	3,553.57	-	4,533.16
Trade payables	-	13,508.13	-	26,120.07
	-	47,523.03	-	57,919.00

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	0.18	3,321.85	-	3,322.03
Total financial assets	0.18	3,321.85	-	3,322.03

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	2.64	6,734.73	-	6,737.37
Total financial assets	2.64	6,734.73	-	6,737.37

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

C. Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments				
Current	-	-	117.81	117.81
Loans				
Non Current	4,479.60	4,479.60	4,058.79	4,058.79
Current	3,030.00	3,030.00	6,720.00	6,720.00
Trade receivables	27,301.09	27,301.09	41,008.43	41,008.43
Cash and cash equivalents	794.83	794.83	2,400.52	2,400.52
Bank balances other than above	48.49	48.49	556.33	556.33
Others				
Non Current	961.59	961.59	911.36	911.36
Current	1,267.54	1,267.54	1,007.07	1,007.07
	37,883.14	37,883.14	56,780.31	56,780.31
Financial liabilities				
Borrowings				
Non current	6,613.42	6,613.42	9,145.10	9,145.10
Current	18,416.67	18,416.67	15,646.56	15,646.56
Lease Liability				
Non current	2,461.55	2,461.55	-	-
Current	626.29	626.29	-	-
Other Financial Liability				
Non current	2,343.40	2,343.40	2,474.11	2,474.11
Current	3,553.57	3,553.57	4,533.16	4,533.16
Trade payables	13,508.13	13,508.13	26,120.07	26,120.07
	47,523.03	47,523.03	57,919.00	57,919.00

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹28,649.09 lakhs (Previous year – ₹41,574.98 lakhs).

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Opening balance	566.55	315.68
Changes in loss allowance	781.45	250.87
Closing balance	1,348.00	566.55

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Carrying Amount March 31, 2020	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	9,634.96	-	3,021.54	6,613.42	-
Other non-current financial liabilities	2,343.40	-	-	2,343.40	-
Current borrowings	18,416.67	8,415.61	10001.06	-	-
Lease Liability	3,087.84	-	626.29	1,884.11	577.44
Trade payables	13,508.13	-	13,508.13	-	-
Other current financial liabilities	532.03	-	532.03	-	-
Total financial liabilities	47,523.03	8,415.61	27,689.05	10,840.93	577.44

Particulars	Carrying Amount March 31, 2019	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Borrowings	12,751.63	-	3,606.53	9,145.10	-
Other non-current financial liabilities	2,474.11	-	-	2,474.11	-
Current borrowings	15,646.56	10,470.41	5176.15	-	-
Trade payables	26,120.07	-	26,120.07	-	-
Other current financial liabilities	926.63	-	926.63	-	-
Total financial liabilities	57,919.00	10,470.41	35829.38	11,619.21	-

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO,CNY. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in lakhs).

	As at March 31, 2020			As at March 31, 2019	
	USD	EUR	CNY	USD	EUR
Trade receivables (A)	6.62	-	0.01	12.73	-
Payables (B)	1.06	2.81	0.32	15.05	0.26
Net statement of financial position exposure (B-A)	(5.56)	2.81	0.31	2.32	0.26

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD 1	70.88	69.94	75.73	69.39
EUR 1	78.80	80.96	83.94	78.33
CNY 1	10.18	-	10.24	-

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss		Equity, net of tax	
	Strength- ening	Weakening	Strength- ening	Weakening
March 31, 2020				
USD (10% movement)	42.12	(42.12)	31.52	(31.52)
EUR (10% movement)	(23.57)	23.57	(17.64)	17.64
CNY (10% movement)	(0.32)	0.32	(0.24)	0.24
March 31, 2019				
USD (10% movement)	(16.11)	16.11	(10.48)	10.48
EUR (10% movement)	(2.00)	2.00	(1.30)	1.30

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Nominal Amount	
	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Borrowings	4,507.10	5,908.68
	4,507.10	5,908.68
Variable-rate instruments		
Borrowings	23,544.53	22,489.51
	23,544.53	22,489.51

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2020				
Variable-rate instruments				
Borrowings	(117.72)	117.72	(88.09)	88.09
Cash flow sensitivity	(117.72)	117.72	(88.09)	88.09
March 31, 2019				
Variable-rate instruments				
Borrowings	(112.45)	112.45	(73.10)	73.10
Cash flow sensitivity	(112.45)	112.45	(73.10)	73.10

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

45. Payment to Auditors

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Statutory audit fee	12.50	10.76
Tax audit fee	2.50	2.66
Limited Review and Certification fee	4.65	4.97
Reimbursement of expenses	1.88	1.19
Total	21.53	19.58

Previous year includes fees paid to statutory auditors of amalgamating companies (refer note no. 56)

46. Exceptional item

Mentor Financial Services Private Limited (Mentor) issued a cheque of ₹2,618.26 Lakhs, against amounts due. This cheque bounced owing to insufficient funds. The Company has issued demand notices to Mentor, its directors and authorized signatories for repayment. In view of the continued default, the Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Company has accounted for the cheque bouncing event in the financial statements and disclosed it under the head Exceptional item.

In previous year Exceptional item of ₹741.28 lakhs consists of (i) Gain of ₹532.02 lakhs from divestment of investment in Commander Vitrified Private Limited (ii) Gain of ₹510.73 lakhs on account of provision written back, created earlier towards levy of additional tax on procurement of natural gas in Haryana plant (iii) Loss of ₹198.21 lakhs due to non-recoverability of an insurance claim in respect of loss of stock due to fire (iv) Loss of ₹1,585.82 lakhs due to defalcation committed by an employee (refer note (a) below).

(a) During the previous year, Company discovered defalcation committed by an employee, responsible for payment processing of certain imported trading goods. Matter is being investigated by law enforcement agencies. Company has insured such defalcation risks under Employee Dishonesty Insurance Policy. The Company is confident of recovering the amount. However, as a matter of abundant caution a provision has been created in the books of accounts.

47. Out of ₹11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7,170.66 lakhs (previous year ₹1,849.97 lakhs), including issue expenses of ₹307.34 lakhs, for the purpose the fund were so raised and balance ₹4,829.31 lakhs (previous year ₹10,150.00 lakhs) has been temporarily invested mainly in the debt instruments/ funds.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

48. Dividend

Dividend paid during the year ended March 31, 2020 include ₹2/- per equity share towards final dividend for the year ended March 31, 2019 and ₹2/- per equity share towards interim dividend for the year ended March 31, 2020 out of profit available for distribution. Dividend paid during the year ended March 31, 2019 represent ₹2/- per equity share towards final dividend for the year ended March 31, 2018.

49. Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. Ceramic Tiles and Allied products and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

50. Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2020	March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

51. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company.

Particulars	March 31, 2020	March 31, 2019
Equity Share Capital	847.59	847.59
Other Equity	57,527.17	58,361.21
Total Equity	58,374.76	59,208.80
Non-Current Borrowings	6,613.42	9,145.10
Current maturities of Non-Current Borrowings	3,021.54	3,606.53
Current Borrowings	18,416.67	15,646.56
Total Debts	28,051.63	28,398.19

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

52. Changes in Liabilities from Financing Activities are as under:

Particulars	As at March 31, 2020	Cash Flow changes	Non Cash Changes		As at March 31, 2019
			Foreign Exchange Movement	Others	
Non Current borrowings	9,634.96	(3,135.12)	-	18.45	12,751.63
Current borrowings	18,416.67	2,770.11	-	-	15,646.56
Lease Liability	3,087.84	(877.52)	-	3,965.36	-
Total liabilities from financing activities	31,139.47	(1,242.53)	-	3,983.81	28,398.19

Particulars	As at March 31, 2019	Cash Flow changes	Non Cash Changes		As at March 31, 2018
			Foreign Exchange Movement	Others	
Non Current borrowings	12,751.63	1,273.48	-	-	11,478.15
Current borrowings	15,646.56	(1,741.71)	-	-	17,388.27
Total liabilities from financing activities	28,398.19	(468.23)	-	-	28,866.42

53. The company has made investments in Subsidiary Companies as detailed below:

Name	Country of Incorporation	Percentage of holding as at March 31, 2020	Percentage of holding as at March 31, 2019
SR Continental Limited	India	100%	100%
Somany Bathware Limited	India	100%	100%
Amora Tiles Private Limited	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%
Commander Vitrified Private Limited *	India	-	-
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited #	India	60%	60%
Amora Ceramics Private Limited	India	51%	51%
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (w.e.f. May 1, 2018)	India	51%	51%

* the company has divest in the subsidiary w.e.f July 1, 2018.

The company has increased their investment from 51% to 60% w.e.f. May 1, 2018.

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

54. Transition to Ind AS 116

The Company has adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and using modified retrospective approach, accordingly, the Company has not restated comparative information and there is no cumulative effect of initially applying this standard on opening balance of retained earnings as on April 1, 2019.

(A) The Company recognised ROU assets for the following asset categories:-

ROU Asset Category	(₹ In Lakhs)	
	As at April 1, 2019	
Lease Hold Land	339.94	
Buildings	3,693.87	

(B) The operating cash flows for the year ended March 31, 2020 has increased by ₹877.52 lakhs and the financing cash flows have decreased by ₹877.52 lakhs as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(C) The Company incurred ₹155.99 lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets.

(D) Practical expedients applied on initial application date i.e. April 1, 2019

- (i) The Company has not reassessed whether a contract, is or contains a lease at the date of initial application.
- (ii) The Company has utilised exemption provided for short term leases and leases for which the underlying asset is of low value on a lease-by-lease basis.
- (iii) Initial direct costs are excluded from measuring the right-of-use asset at the date of initial application.
- (iv) The Company used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- (v) The Company has relied on it's assessment of whether leases are onerous.
- (vi) The weighted average of company's incremental borrowing rate applied to lease liabilities at date of initial application i.e. April 1, 2019 was 8.75%.
- (vii) The Company has carried forward the amount of the finance lease assets (reclassified as ROU).
- (viii) The Company has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as the date of initial application.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company has recognised rent income under the head of other income as follows:

	(Amount in ₹ Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent received during the year	9.51	1.98

55. As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹198.42 Lakhs (Previous Year ₹216.72 Lakhs). During the year ended March 31, 2020, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹201.16 Lakhs (Previous year ₹216.72 Lakhs).

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

56. Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 4, 2019 sanctioned the Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited (Amalgamating Companies) engaged in the business of investment activity, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 1, 2018. The Scheme became effective on September 25, 2019.

The accounting effect of this Amalgamation to in the financial statements has been given as under:-

- In terms of the said scheme, authorised capital of the company has been increased by ₹230 Lakhs (1,15,00,000 equity shares of ₹2 each) on merger of authorised share capital of amalgamating companies.
- In terms of the said Scheme, 1(ONE) fully paid-up equity share of ₹2/- each of Amalgated Company has been issued and allotted to the Shareholders of the Amalgamating Companies in proportion of their respective shareholdings in the Amalgamating Companies for every 1(ONE) fully paid up equity share of ₹2/- each held by the Amalgamating companies in Amalgamated Company. The amalgamation being a common control transaction has been accounted for under the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combinations.
- The share capital of the Amalgamating Company as on the Appointed Date shall stand cancelled.
- The Amalgamated Company has recorded all assets and liabilities of the Amalgamating Companies vested in it pursuant to the scheme, at the respective book values thereof, as appearing in the books of account of the Amalgamating Companies immediately before the appointed date.

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e April 1, 2018) is as follows:

Particular		₹ In Lakhs			TOTAL
		Bhilwara Holdings Limited	Sarvottam Vanijya Limited	Scope Vinimoy Private Limited	
a) Summary of Assets, Liabilities and Reserve acquired					
Assets					
Current investments		1.01	0.93	0.97	2.91
Cash and cash equivalents		0.15	0.10	0.20	0.45
Current tax assets		78.41	26.28	13.38	118.07
Total Assets	(x)	79.57	27.31	14.55	121.42
Liabilities					
Other current liabilities		0.15	0.18	0.09	0.43
Current provisions		75.25	26.30	13.40	114.95
Total Liabilities	(y)	75.40	26.48	13.49	115.38
Other Equity					
Capital reserve		15.10	7.80	-	22.90
Amalgamation reserve		122.51	68.75	-	191.27
Securities premium		-	99.96	502.78	602.74
Capital redemption reserve		78.40	-	-	78.40
General reserve		159.92	180.00	-	339.92
Special reserve		351.00	207.01	103.70	661.71
Retained earnings		1,417.61	981.99	426.11	2,825.70
Total Other Equity	(z)	2,144.54	1,545.51	1,032.58	4,722.64
Net Assets, Liabilities and Other equity acquired as at April 1, 2018 (x-y-z)		(2,140.37)	(1,544.69)	(1,031.53)	(4,716.59)

Notes to Standalone Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

b) Consideration

Amalgamating Companies hold 1,90,87,200 Equity shares of Amalgamated company which stand cancelled and equal number of Equity Shares 1,90,87,200 of ₹2/- each have been issued to the share holders of the Amalgamating companies in the proportion of their shareholding in the Amalgamating companies.

c) As scheme of amalgamation, given effective from April 1, 2018, accordingly Financial Statements for the year end March 31, 2019 has been restated incorporating the effect of scheme of amalgamation based on special purpose audited financial statements of amalgamating companies for the financial year 2018-19, audited by other auditors.

57. Due to outbreak of Covid-19 globally and in India, the Company had on March 23, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Company is in the business of manufacturing and trading of "Ceramics tiles and Allied Products", which are connected with the construction activities that are in a way fundamental to the Indian economy. Although, there is significant impact, on account of demand destruction, in the short term, however, management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Company is continuously monitoring any material change in future economic conditions.

58. The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Somany Ceramics Limited

Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the accompanying consolidated financial statements of Somany Ceramics Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section

143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures wherever performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade and other receivables</p> <p>The Parent Company assesses periodically and at each financial year end, expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Parent Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other receivables and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables. We have obtained year-end balance confirmations for inter corporate deposits. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Parent Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other receivables to be reasonable.</p>

S.N.	Key Audit Matter	Auditor's Response
2.	<p>Valuation of inventories</p> <p>The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management of Parent Company on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date. We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>
3.	<p>Valuation of Current Investments</p> <p>Current investments include quoted equity shares and debentures. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit procedures included updating our understanding of the processes employed by the Parent Company for accounting and valuing their current investments. We have reviewed year end depository participants. We have verified that the Parent Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held as at March 31, 2020. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group

in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are

also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying

transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2020 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

- a. We did not audit the financial statements of five subsidiaries, whose financial statements include total assets of ₹7,383.47 Lakhs as at March 31, 2020, total revenues of ₹7,078.36 Lakhs, total net profit after tax of ₹3.53 Lakhs, total comprehensive income of ₹4.00 Lakhs and net cash inflows of ₹75.42 Lakhs for the year ended on that date included in the consolidated financial statements. These financial statements have been audited by other auditors, whose unmodified 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 these subsidiaries is based solely on reports of the other auditors.
- b. We did not audit the financial statements of seven subsidiaries, whose financial statements include total assets of ₹50,027.80 Lakhs as at March 31, 2020, total revenues of ₹52,198.66 Lakhs, total net profit

after tax of ₹598.41 Lakhs and total comprehensive income of ₹598.41 Lakhs and net cash inflows of ₹66.75 Lakhs for the year ended on that date, whose audited financial statements were adjusted to align with accounting policies of the Parent Company for preparing consolidated financial statements of the Group. These adjusted financial statements were audited by other auditors whose fit for consolidation reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on fit for consolidation reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
- (e) On the basis of the written representations received from the Directors of the Parent Company as on March 31, 2020 taken on record by the Board of Directors of the Parent Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure A" to this report;
- (g) In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/ provided during the year by the Parent Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 (16) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of subsidiary companies:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 38 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in 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 Group.

Place: Noida (Delhi-NCR)
Date: June 25, 2020

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFN4613

ANNEXURE A'

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited ('the Parent Company') and its subsidiary companies incorporated in India (the Parent Company and its subsidiaries together referred to as "the Group"), as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference 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 over financial reporting to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Group has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the

internal control over financial reporting criteria established by the parent 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, however same need to be further strengthened.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of this matter.

Place: Noida (Delhi-NCR)
Date: June 25, 2020

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 20088926AAAAFN4613

Consolidated Balance Sheet as at March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	73,391.57	69,992.80
Capital work-in-progress		601.88	2,465.99
Right of use Assets	3 (ii)	3,252.30	-
Other Intangible Assets	3 (iii)	415.80	570.35
Goodwill on Consolidation		727.97	727.97
Financial Assets			
(i) Investments	4	-	-
(ii) Loans	5	460.00	500.00
(iii) Other Financial Assets	6	1,231.71	1,261.56
Deferred Tax Assets (Net)	23	543.32	351.12
Other Non-Current Assets	7	115.81	607.71
		80,740.36	76,477.50
Current Assets			
Inventories	8	32,818.06	25,451.99
Financial Assets			
(i) Investments	9	3,413.10	6,828.08
(ii) Trade Receivables	10	27,981.10	41,794.20
(iii) Cash and Cash Equivalents	11	1,487.06	2,950.56
(iv) Bank Balances other than (iii) above	12	518.64	1,053.07
(v) Loans	13	3,030.00	5,840.00
(vi) Other Financial Assets	14	745.61	1,126.57
Current Tax Assets (net)	15	1,123.09	324.69
Other Current Assets	16	3,875.49	4,948.74
		74,992.15	90,317.90
Total Assets		1,55,732.51	1,66,795.40
Equity and Liabilities			
Equity			
Equity Share Capital	17	847.59	847.59
Other Equity	18	59,796.77	60,456.53
		60,644.36	61,304.12
Non-controlling Interest		9,408.72	8,958.45
		70,053.08	70,262.57
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	19	19,656.30	23,727.99
(ii) Lease Liability		2,461.55	-
(iii) Other Financial Liabilities	20	2,360.90	2,474.11
Provisions	21	690.07	470.48
Deferred Income	22	386.68	-
Deferred Tax Liabilities (Net)	23	4,126.31	5,666.48
Other Non-Current Liabilities	24	282.01	338.38
		29,963.82	32,677.44
Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	24,849.15	27,333.38
(i) Lease Liability		626.29	-
(iii) Trade Payables	26		
Outstanding dues of Micro Enterprises and Small Enterprises		644.45	87.53
Outstanding dues other than Micro Enterprises and Small Enterprises		16,645.14	20,124.63
(iv) Other Financial Liabilities	27	6,495.20	7,940.12
Other Current Liabilities	28	6,168.51	8,252.36
Provisions	29	268.07	85.77
Current Tax Liabilities (net)	30	18.80	31.60
		55,715.61	63,855.39
Total Equity and liabilities		1,55,732.51	1,66,795.40
Significant Accounting Policies and Other Notes to Consolidated Financial Statements.	1 to 58		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani
Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekanth Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Amrisha Julka
GM - Legal and Company Secretary

Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Income			
Revenue from Operations	31	1,61,007.10	1,71,505.40
Other Income	32	1,274.14	1,796.04
Total Revenue (I)		1,62,281.24	1,73,301.44
II. Expenses			
Cost of Materials Consumed	33	44,696.30	43,357.97
Purchases of Stock-in-Trade		28,260.29	32,413.19
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	34	(6,227.95)	(3,579.92)
Employee Benefit Expense	35	23,904.68	22,751.54
Finance Costs	36	4,941.48	4,591.95
Depreciation and Amortisation Expense	3	5,894.52	4,425.09
Other Expenses	37	57,235.62	60,107.63
Total Expenses (II)		1,58,704.95	1,64,067.45
Profit Before Exceptional Items and Tax (I-II)		3,576.29	9,233.99
Exceptional Items (Net)	45	2,618.26	1,224.48
Profit before tax		958.03	8,009.51
Tax Expense:			
1) Current Tax	23		
- Current year		582.61	2,231.26
- For earlier years		124.24	38.01
2) Deferred Tax Charge/(Credit)	23	(1,699.10)	415.19
Profit for the year (III)		1,950.28	5,325.05
Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(148.59)	(31.47)
Income Tax relating to above		32.44	11.00
Total Comprehensive Income for the year (IV)		1,834.13	5,304.58
Profit for the year attributable to:			
Owners of the Company		1,500.25	4,631.66
Non controlling interests		450.03	693.39
Other Comprehensive Income attributable to:			
Owners of the Company		(116.38)	(20.47)
Non controlling interests		0.23	-
Total Comprehensive Income attributable to:			
Owners of the Company		1,383.87	4,611.19
Non controlling interests		450.26	693.39
Earnings Per Equity Share (Per Share Value of ₹2 each)	38		
Basic (In ₹)		3.54	10.93
Diluted (In ₹)		3.54	10.93
Significant Accounting Policies and Other Notes to Consolidated Financial Statements.	1 to 58		
The accompanying Notes are an integral part of the Consolidated Financial Statements.			

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani
Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Abmrish Julka
GM - Legal and Company Secretary

Consolidated Statement of Change in Equity for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,23,79,426	847.59	4,23,79,426	847.59
Less: Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74	-	-
Add: Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74	-	-
Balance at the end of the year	4,23,79,426	847.59	4,23,79,426	847.59

(b) Other Equity

Particulars	Owner's Other Equity							Total	Non Controlling Interest	Total Other Equity
	Reserves and Surplus						Total Retained earnings			
	Capital Redemption Reserve	Capital Reserve	Special Reserve	Security Premium	General Reserve	Retained earnings				
Balance at March 31, 2018	239.22	-	-	16,389.03	5,114.38	35,490.51	(12.48)	57,220.66	9,590.59	66,811.25
Profit for the year	-	-	-	-	-	4,631.66	-	4,631.66	693.39	5,325.05
Transfer from amalgamating companies \$ *	78.40	214.17	661.71	602.74	339.92	2,825.70	-	4,722.64	-	4,722.64
Addition pursuant to Scheme of Amalgamations *	-	(4,716.59)	-	-	-	-	-	(4,716.59)	-	(4,716.59)
Acquisition of Non Controlling Interest	-	-	-	-	-	(1.93)	-	(1.93)	286.80	284.87
Transfer to General Reserve #	-	-	(661.71)	-	661.71	-	-	-	-	-
Derecognition on divestment in a subsidiary	-	-	-	-	-	-	-	-	(2,299.07)	(2,299.07)
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	686.74	686.74
Other Comprehensive Income for the year	-	-	-	-	-	-	(20.47)	(20.47)	-	(20.47)
Total Comprehensive Income for the year	78.40	(4,502.42)	-	602.74	1,001.63	7,455.43	(20.47)	4,615.31	(632.14)	3,983.17
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	1,144.24	-	1,144.24	-	1,144.24
Dividend Distribution Tax	-	-	-	-	-	235.20	-	235.20	-	235.20
Balance at March 31, 2019	317.62	(4,502.42)	-	16,991.77	6,116.01	41,566.50	(32.95)	60,456.53	8,958.45	69,414.98
Balance at the beginning of the year	317.62	(4,502.42)	-	16,991.77	6,116.01	41,566.50	(32.95)	60,456.53	8,958.45	69,414.98
Profit for the year	-	-	-	-	-	1,500.25	-	1,500.25	450.03	1,950.28
Acquisition of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	(116.38)	(116.38)	0.24	(116.14)
Total Comprehensive Income for the year	-	-	-	-	-	1,500.25	(116.38)	1,383.87	450.27	1,834.14
Transfer to Capital Redemption Reserve	117.81	-	-	-	-	(117.81)	-	-	-	-
Dividend Paid	-	-	-	-	-	1,695.18	-	1,695.18	-	1,695.18
Dividend Distribution Tax	-	-	-	-	-	348.45	-	348.45	-	348.45
Balance at March 31, 2020	435.43	(4,502.42)	-	16,991.77	6,116.01	40,905.31	(149.33)	59,796.77	9,408.72	69,205.49

* Refer Note No. 53

Special Reserve was created out of retained earnings of Amalgamating Companies as per norms of RBI for NBFC companies. After giving effect to the scheme of amalgamation, the Company is not required to carry Special Reserve as per norms of RBI hence transferred to General Reserve.

\$ includes Amalgamation Reserve of ₹191.27 lakhs transferred from amalgamating companies.

Capital Redemption Reserve: It represents transfer from Retained Earnings on redemption of Preference Shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General reserve: It represents appropriation of profits by the board of directors. The said reserve is available for payment of dividend to shareholders as per the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Capital Reserve : It Includes a.) difference between consideration and value of net assets, pursuant to the scheme of amalgamation [Refer Note No. 53] of ₹4716.59 lakhs and can be utilized in accordance with the provisions of Companies Act, 2013, b.) Amalgamation Reserve of ₹191.27 lakhs, c.) Reserve against maturity of special bearer bonds of RBI and Bonus Shares received by amalgamating Companies.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani
Partner
M. No. 088926

Place: Noida
Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany
Chairman & Managing Director
DIN: 00021423

Saikat Mukhopadhyay
Chief Financial Officer

Abhishek Somany
Managing Director
DIN: 00021448

Ambrish Julka
GM - Legal and Company Secretary

Consolidated Cash Flow Statement for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow From Operating Activities		
Net Profit before Tax as per Statement of Profit & Loss	958.03	8,009.51
I. Adjusted for:		
Depreciation and Amortization Expense	5,894.52	4,425.09
Finance Costs	4,941.48	4,591.95
Interest Income	(1,079.62)	(1,347.79)
Gain on divestment in a subsidiary	-	(48.82)
(Profit)/Loss on Sales of Investment (Net)	(28.48)	(245.74)
Unrealized Foreign Exchange (Gain)/Loss (Net)	243.42	4.44
Net movement on Fair Value of current Investments	3.17	(67.02)
Provision for credit losses	804.20	284.90
Bad Debts	19.81	104.33
Sundry Balances Written Off	107.38	18.31
Sundry Balances Written Back	(536.08)	(251.50)
(Profit)/Loss on sale of Property, Plant and Equipment (net)	179.72	54.13
Exceptional Items	2,618.26	-
Property, Plant and Equipment Discard /Written Off	116.19	25.29
Operating Profit Before Working Capital Changes	14,242.01	15,557.08
II. Adjusted For :		
Trade and Other Receivables	14,537.47	(1,970.25)
Inventories	(7,366.07)	(2,456.60)
Trade and Other Payables	(4,620.25)	613.53
Cash Generated from Operation	16,793.16	11,743.76
Income Taxes Refund /(Paid)	(1,518.88)	(3,153.60)
Net Cash Flow From Operating Activities (A)	15,274.28	8,590.16
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(7,029.57)	(16,043.37)
Sale of Property, Plant and Equipment	389.17	452.99
Acquisition of Non Controlling Interest in Subsidiaries	-	(289.00)
Consideration received from divestment in a Subsidiary	-	857.03
Purchase of Current Investments	(3,086.02)	(62,820.87)
Sale of Current Investments	4,850.25	72,546.95
Interest Received	1,402.69	1,222.74
Inter Corporate Deposits given	(210.00)	(4,820.00)
Inter-Corporate Deposit Received Back	2,200.00	-
Net Cash Outflow From Investing Activities (B)	(1,483.49)	(8,893.53)

Consolidated Cash Flow Statement for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	691.23	13,328.95
Repayment of Non Current Borrowings	(5,980.05)	(4,555.27)
Current Borrowings (net)	(1,381.97)	(3,279.26)
Proceeds from Short Term Loans	28,172.26	16,550.00
Repayment of Short Term Loans	(29,272.26)	(14,838.80)
Payment of Lease Liability	(877.52)	-
Proceeds from issue of equity shares by subsidiaries to Non Controlling Interest shareholders	-	973.53
Interest Paid	(4,562.36)	(4,104.80)
Dividend Paid (including dividend distribution tax)	(2,043.63)	(1,379.44)
Net Cash Inflow From Financing Activities (C)	(15,254.29)	2,694.90
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	(1,463.50)	2,391.53
CASH AND CASH EQUIVALENTS		
Opening		
Cash and Cash Equivalents	2,950.56	578.64
Less Cash and Cash Equivalents on divestment in a subsidiary	-	(19.61)
	2,950.56	559.03
Closing		
Cash and Cash Equivalents	1,487.06	2,950.56

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows"
- Cash and Cash Equivalents represents cash and bank balances. (Note No. 11)
- Figures for the previous year have been regrouped/rearranged wherever considered necessary.
- Additional Disclosure required under Ind AS 7. Refer Note No. 51.
- The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal & Company Secretary

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

1. Reporting Entity

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited (“the Company” or “Parent”) and its subsidiaries (collectively, “the Group”) for the year ended March 31, 2020. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Group has manufacturing plants in Kassar (Haryana), Velampadu (Andhra Pradesh), Chandigarh, Kadi and Morbi (Gujarat) India. The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended March 31, 2020 were authorized for issue in accordance with a resolution of the directors on June 25, 2020.

2. Significant Accounting Policies

The Group has consistently applied accounting policies except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 (the Act), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and other accounting principles generally accepted in India.

2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- has power over the investee;
- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights
- The size of the Parent Company’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 56.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.3 Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Notes to Consolidated Financial Statements

for the Year Ended March 31, 2020
(All amounts are in rupees lakhs, unless otherwise stated)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated Financial Statements have been given below:

- Assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment and Right of Use Assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification. An asset/liability is treated as current when it is:

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

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

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.7 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Foreign exchange loss/gain arising on long-term foreign currency monetary items existing as on April 1, 2016 used for depreciable assets, which are capitalised as per transitional provision of Ind AS 101 "First time adoption".

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 - 8 Years
Dies & Punches	8 Years

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold improvements are being amortised over the period of 5 to 10 years.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5000 are fully depreciated in the year of purchase.

Capital work-in-progress (CWIP)

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit & Loss when the asset is derecognised.

2.9 Non-current assets held for sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

All other borrowing costs are recognised in the Consolidated Statement of Profit & Loss in the period in which they are incurred.

2.12 Foreign currency transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind as financial reporting period, the Group has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.13 Employee benefits

Short term employee benefits

Short term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Consolidated Statement of Profit & Loss. Past service cost is recognised in the Consolidated Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

2.14 Revenue Recognition

The Group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when;

- i) effective control of goods alongwith significant risks and rewards of ownership has been transferred to customer and in case of services, the year in which such services are rendered.
- ii) the amount of revenue can be measured reliably;
- iii) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting certain incentives including, but not limited to discounts, volume rebates, incentive programs etc. For incentives offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of manufactured finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials, traded goods and stores & spare parts are computed on weighted average basis. Net realisable value

is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate, provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the Consolidated Financial Statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the Consolidated Financial Statements but disclosed, where an inflow of economic benefit is probable.

2.17 Measurement of fair value

a) Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus, in the 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.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial Assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Consolidated Statement of Profit & Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit & Loss.

Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial Assets at fair value through Profit & Loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading,

the Group may irrevocably elect to present subsequent changes in fair value as FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Consolidated Statement of Profit & Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit & Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit & Loss.

Financial liabilities at fair value through Profit & Loss

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit & Loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Consolidated Statement of Profit & Loss and included in deferred tax assets. The Group reviews the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.20 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is 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. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the

lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset. ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under Notes forming part of the Financial Statement.

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.24 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards, which would have been applicable from April 1, 2020.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

3. (i) Property, plant and equipment (2019-20)

Particulars	Gross Block						Depreciation					Net Block	
	As at March 31, 2019	Transfer to Right of Use Assets	Addition on acquisition of subsidiary	Additions	Deletions / Adjustments	As at March 31, 2020	As at March 31, 2019	Transfer to Right of Use Assets	For the year	Deletions/ Adjustments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Tangible Assets													
Freehold land	2,172.49	-	-	69.96	-	2,242.45	-	-	-	-	-	2,172.49	2,242.45
Buildings	13,400.57	-	-	3,699.04	4.97	17,094.64	1,449.01	-	654.98	1.24	2,102.75	11,951.56	14,991.89
Plant and equipments	55,192.70	-	-	4,492.15	513.23	59,171.62	5,480.19	-	2,736.94	145.86	8,071.29	49,712.51	51,100.33
Office equipments	1,414.17	-	-	252.45	18.25	1,648.37	579.16	-	313.86	11.24	881.78	835.01	766.59
Furniture and fixtures	4,111.47	-	-	352.61	33.00	4,431.08	951.41	-	751.97	18.76	1,684.62	3,160.06	2,746.46
Vehicles	2,723.53	-	-	471.86	580.58	2,614.81	902.30	-	456.51	287.85	1,070.96	1,821.23	1,543.85
Assets under Finance Lease													
Leasehold land	343.97	(343.97)	-	-	-	-	4.03	(4.03)	-	-	-	339.94	-
Total	79,358.90	(343.97)	-	9,338.07	1,150.03	87,202.97	9,366.10	(4.03)	4,914.26	464.95	13,811.40	69,992.80	73,391.57

3. (ii) Right of Use Assets (2019-20) (Refer note no. 52)

Particulars	Gross Block						Amortization					Net Block	
	As at March 31, 2019	Transfer From PPE as per IndAS 116	Addition on acquisition of subsidiary	Additions	Deletions / Adjustments	As at March 31, 2020	As at March 31, 2019	Transfer From PPE as per IndAS 116	For the year	Deletions/ Adjustments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Right of use Assets													
Leasehold lands	-	343.97	-	-	-	343.97	-	4.03	4.09	-	8.12	-	335.85
Buildings	-	-	-	3,693.87	-	3,693.87	-	-	777.42	-	777.42	-	2,916.45
Total	-	343.97	-	3,693.87	-	4,037.84	-	4.03	781.51	-	785.54	-	3,252.30

3. (iii) Other Intangible Assets (2019-20)

Particulars	Gross Block					Amortization				Net Block	
	As at March 31, 2019	Addition on acquisition of subsidiary	Additions	Deletions / Adjustments	As at March 31, 2020	As at March 31, 2019	For the year	Deletions/ Adjustments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Intangible Assets											
Computer Softwares	1,033.99	-	44.22	-	1,078.21	463.64	198.77	-	662.41	570.35	415.80
Total	1,033.99	-	44.22	-	1,078.21	463.64	198.77	-	662.41	570.35	415.80

3. (i) Property, Plant and Equipment (2018-19)

Particulars	Gross Block					Depreciation				Net Block	
	As at March 31, 2018	Addition on acquisition of subsidiary	Additions	Deletions / Adjustments	As at March 31, 2019	As at March 31, 2018	For the year	Deletions/ Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Tangible Assets											
Freehold land	2,105.93	48.68	44.26	26.37	2,172.50	-	-	-	-	2,105.93	2,172.50
Building	11,311.87	-	2,778.71	690.01	13,400.57	939.60	561.01	51.60	1,449.01	10,372.27	11,951.56
Plant and equipments	49,399.18	-	10,584.62	4,791.09	55,192.71	3,592.99	2,394.26	507.03	5,480.22	45,806.19	49,712.49
Office equipments	1,236.25	-	204.97	27.05	1,414.17	317.83	275.29	13.96	579.16	918.42	835.01
Furniture and fixtures	2,945.00	-	1,281.78	115.30	4,111.48	441.79	517.90	8.28	951.41	2,503.21	3,160.07
Vehicles	2,432.38	-	700.03	408.88	2,723.53	627.99	469.67	195.36	902.30	1,804.39	1,821.23
Assets under Finance Lease											
Leasehold land	96.90	-	247.07	-	343.97	2.38	1.65	-	4.03	94.52	339.94
Total	69,527.51	48.68	15,841.44	6,058.70	79,358.93	5,922.58	4,219.78	776.23	9,366.13	63,604.93	69,992.80

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

3. (iii) Other Intangible Assets (2018-19)

Particulars	Gross Block				Amortization				Net Block		
	As at March 31, 2018	Addition on acquisition of subsidiary	Additions	Deletions / Adjustments	As at March 31, 2019	As at March 31, 2018	For the year	Deletions/ Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Intangible Assets											
Computer Softwares	1,029.32	-	4.67	-	1,033.99	258.33	205.31	-	463.64	770.99	570.35
Total	1,029.32	-	4.67	-	1,033.99	258.33	205.31	-	463.64	770.99	570.35

Note:

- Addition to Plant & Machinery includes foreign exchange gain amounting to ₹ NIL lakhs capitalised (Previous year ₹52.46 lakhs capitalised).
- Assets pledged and Hypothecated against borrowings: Please Refer Note No. 19 & 25.

4. Non-current Investments

	As At March 31, 2020	As At March 31, 2019
a. Aggregate amount of investments are given below:		
Aggregate market value of quoted investments	-	-
Aggregate cost of Unquoted investments	-	-

5. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)	460.00	500.00
	460.00	500.00

6. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposits (Pledged with Government Departments)	116.96	158.75
Fixed Deposits held as Margin Money with Banks/ Financial institutions	348.96	439.96
Security Deposits	765.79	662.85
	1,231.71	1,261.56

7. Other Non-Current Assets

	As At March 31, 2020	As At March 31, 2019
Capital Advance*	102.61	577.91
Prepaid Expenses	13.20	29.80
	115.81	607.71

*₹100.00 lakhs (Previous year ₹310.00 lakhs) of Subsidiary company represents payment made to parties for purchase of parcel of land in Rajasthan, where Subsidiary company is in the process of finalising the terms and conditions. The Subsidiary company is confident of completing the process of acquisition in near future, hence considered good.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

8. Inventories

	As At March 31, 2020	As At March 31, 2019
(Valued at Lower of Cost and Net Realisable Value)		
(As taken, Valued and Certified by the Management)		
Raw Materials & Packing Materials	4,576.23	3,952.94
Work -in-Progress	1,347.47	1,666.15
Finished Goods	19,712.71	13,414.65
Stock in Trade	4,188.76	3,676.37
Stores and Spares	2,992.89	2,741.88
	32,818.06	25,451.99

- a. Inventories are hypothecated to secured borrowings. Refer to Note No. 19 & 25.
- b. During the year ₹9.43 lakhs (Previous year NIL) was credited to the Statement of Profit and Loss on account of reversal of write down of inventories. The charge to Statement of Profit and Loss on account of above during the year amounted to NIL (Previous year ₹199.40 lakhs).

9. Current Investments

	As At March 31, 2020	As At March 31, 2019
A) Investments in Bonds and Non Convertible Debentures (Unquoted) (valued at fair value through profit & loss)		
a) 400 Units (Previous Year - 500 Units) 9.70% U P Power Corporation Limited 04.07.2031 Bonds (NCD)	420.08	524.20
b) NIL Units (Previous Year - 111 Units) 10.20% SREI Infrastructure Finance Limited. 23.03.2020 (NCD)	-	1,110.00
c) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Limited 2027 (NCD)	812.54	825.85
d) 103 Units (Previous Year - 108 Units) 9.00 % Shriram Transport Finance Co. Limited. 28.03.2028 (NCD)	1,023.16	1,079.78
e) 105,500 Units (Previous Year - 105,500) 9.60% SREI Infrastructure Finance Limited 25.05.2028 (NCD)	1,066.07	1,053.95
f) NIL Units (Previous Year - 20 Units) 7.37% NTPC 2031	-	183.60
g) NIL Units (Previous Year - 201 Units) 7.20% Power Grid Corporation Limited 2027#	-	1,861.26
h) NIL Units (Previous Year - 10 Units) 7.65% Konkan Railway Corporation Limited	-	96.10
B) Investments in Mutual Fund (Quoted) (valued at fair value through profit & loss)		
a) 2,87,251.767 Units (Previous year-2,87,251.767 Units) SBI Credit Risk Fund Regular Growth	91.07	85.80
b) NIL Units (Previous year - 191.422 Units) HDFC Liquid Fund- Growth	-	7.01
C) Investments in Equity Instruments (Quoted) valued at fair value through Profit & Loss (fully Paid)		
a) 550 Equity Shares (Previous Year - 550) of ₹2/- each of Punjab National Bank Limited.	0.18	0.53
	3,413.10	6,828.08
# Pending transfer in the name of Parent Company. Refer Note No. 45.		
Aggregate Book Value of Quoted Investments	91.25	93.34
Aggregate Market Value of Quoted Investments	91.25	93.34
Aggregate Book Value of Un-Quoted Investments	3,321.85	6,734.74

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

10. Trade Receivables

	As At March 31, 2020	As At March 31, 2019
Unsecured		
Considered Good	26,308.88	40,632.10
Have Significant increase in Credit Risk	2,673.89	1,718.50
Considered Doubtful - Credit Impaired	351.84	15.66
	29,334.61	42,366.26
Less: Allowances for credit losses	1,353.51	572.06
	27,981.10	41,794.20

- For details of receivable from related parties, refer Note - 42 Related Party Transactions.
- Trade Receivables are hypothecated to secured borrowings. Refer to Note No. 19 & 25.

11. Cash and Cash Equivalents

	As At March 31, 2020	As At March 31, 2019
(As certified by the management)		
Balance with Banks		
- Current Accounts	1,323.58	2,875.03
Cash on Hand	72.24	75.53
Bank Deposit with maturity of 3 months or less	91.24	-
	1,487.06	2,950.56

12. Other Bank Balances

	As At March 31, 2020	As At March 31, 2019
Earmarked Balances with Banks		
Bank Deposit (Pledged with Government Departments)	202.58	220.11
Less:- Shown Under "Other Financial Assets" (More than 12 months)	163.00	175.81
Unclaimed Dividend Accounts	47.70	555.53
Other Bank Balance		
Fixed Deposits held as Margin Money with Banks/ Financial institutions	571.29	722.46
Less:- Shown Under "Other Financial Assets" (More than 12 months)	300.53	439.96
Fixed Deposits with Banks	160.60	170.74
	518.64	1,053.07

13. Loans

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)	3,030.00	5,840.00
	3,030.00	5,840.00

14. Other Financial Assets

	As At March 31, 2020	As At March 31, 2019
Accrued Interest	602.14	1,007.41
Deposit with others	43.95	102.05
Security Deposits with Government Department	0.60	0.60
Others	98.92	16.51
	745.61	1,126.57

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

15. Current Tax Assets (net)

	As At March 31, 2020	As At March 31, 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of ₹1128.75 lakhs, (Previous year ₹15819.48 lakhs)]	1,123.09	324.69
	1,123.09	324.69

16. Other Current Assets

	As At March 31, 2020	As At March 31, 2019
Prepaid Expenses	373.77	294.02
Export Incentives Receivable	236.66	423.70
Derivative Contract	3.84	-
Other Advances	1,397.86	1,206.09
Indirect Tax Recoverable/adjustable*	1,894.99	3,024.93
	3,907.12	4,948.74
Less: Allowances for credit losses	31.63	-
	3,875.49	4,948.74

* including GST input credit

17. Equity Share Capital

	As At March 31, 2020	As At March 31, 2019
Authorised		
Equity Shares 13,65,00,000 (Previous Year- 12,50,00,000) of ₹2/-each*	2,730.00	2,500.00
Issued, Subscribed and Paid up		
Equity Shares 4,23,79,426 (Previous Year- 4,23,79,426) of ₹2/- each fully paid up	847.59	847.59
	847.59	847.59

a. Terms and rights attached to equity shares

The Company has only one class of Equity Shares having face value of ₹2/- each and each shareholder is entitled to one vote per share. Each shareholder have the right in profit / surplus in proportion to amount paid up with respect to share holder. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares	Amount
Outstanding as on April 1, 2018	4,23,79,426	847.59
Equity Shares issued/ bought back during the year	-	-
Outstanding as on March 31, 2019	4,23,79,426	847.59
Less:- Share cancelled pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Add:- Share allotted pursuant to Scheme of Amalgamation*	1,90,87,200	381.74
Outstanding as on March 31, 2020	4,23,79,426	847.59

c. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As At March 31, 2020	As At March 31, 2019
i) Abhishek Somany - in capacity of Trustee Of Shakthi Family Trust	1,00,80,055	-
ii) Shrivatsa Somany - in capacity of Trustee Of Sanrakshith Family Trust	43,37,872	-
iii) Shreekant Somany - in capacity of Trustee Of Srijan Family Trust	43,37,872	-
iv) Franklin Build India Fund	37,50,000	-
v) L And T Mutual Fund Trustee Limited	25,25,577	23,28,590
vi) Bhilwara Holding Limited*	-	92,02,200

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	As At March 31, 2020	As At March 31, 2019
vii) Sarvottam Vanijay Limited*	-	63,32,500
viii) Scope Vinimoy Private Limited*	-	35,52,500
ix) Franklin Templeton Mutual Fund	-	37,50,000
	2,50,31,376	2,51,65,790

* Refer Note. No. 53

18. Other Equity

	As At March 31, 2020	As At March 31, 2019
Capital Reserve		
Balance at the beginning of the year	(4,502.42)	-
Addition/ (Transfer) during the year on Amalgamation	-	(4,502.42)
Closing balance	(4,502.42)	(4,502.42)
Special Reserve		
Balance at the beginning of the year	-	-
Addition/ (Transfer) during the year on Amalgamation	-	661.71
Less:- Transferred to General Reserve	-	(661.71)
Closing balance	-	-
Capital Redemption Reserve		
Balance at the beginning of the year	317.62	239.22
Addition/ (Transfer) during the year on Amalgamation	-	78.40
Addition/ (Transfer) during the year	117.81	-
Closing balance	435.43	317.62
Security Premium		
Balance at the beginning of the year	16,991.77	16,389.03
Addition/ (Transfer) during the year on Amalgamation	-	602.74
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,116.01	5,114.38
Addition/ (Transfer) during the year on Amalgamation	-	339.92
Addition/ (Transfer) during the year	-	661.71
Closing balance	6,116.01	6,116.01
Retained earnings		
Balance at the beginning of the year	41,566.50	35,490.51
Addition/ (Transfer) during the year on Amalgamation	-	2,825.70
Profit for the year	1,500.25	4,631.66
Acquisition of Non Controlling Interest	-	(1.93)
Amount available for appropriation	43,066.75	42,945.94
Less : Appropriation:		
Transfer to Capital Redemption Reserve	117.81	-
Dividend Distributed	1,695.18	1,144.24
Dividend Distribution Tax	348.45	235.20
Closing Balance	40,905.31	41,566.50
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(32.95)	(12.48)
Other comprehensive income for the year	(116.38)	(20.47)
Closing Balance	(149.33)	(32.95)
Total Retained Earnings	40,755.98	41,533.55
Total Other Equity	59,796.77	60,456.53

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

19. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured		
Term Loans		
- From Banks	18,601.90	23,993.75
Car Loans		
- From Banks	952.98	1,169.08
Other borrowings (Buyer's Credit etc.)	2,956.98	2,721.79
Unsecured		
- From Others	2,451.55	2,094.72
	24,963.41	29,979.34
Less: Current Maturities of Non Current Borrowings		
Term loans		
- From Banks	4,962.52	5,845.99
Car Loans		
From Banks	344.59	405.36
	5,307.11	6,251.35
	19,656.30	23,727.99

Notes

- Rupee loan of ₹ NIL lakhs (Previous Year ₹337.50 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in two equal quarterly installments from June, 2019.
- Rupee loan of ₹ NIL lakhs (Previous Year ₹450.00 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in four equal quarterly installments from June, 2019.
- Rupee loan of ₹2,603.49 lakhs (Previous Year ₹3,635.25 lakhs) from a Bank is secured by first pari passu charges by way of hypothecation of Plant & Machinery and other movable fixed assets of the company situated at Kassar and Kadi plants excluding those exclusively charged to other Banks and second pari passu charge over current assets of the company both present and future. Repayment of aforesaid loan is ₹1618.23 lakhs and ₹985.26 lakhs in FY21 and FY22 respectively.
- Rupee loan of ₹6,224.37 lakhs (Previous Year ₹7,220.27 lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets, both present and future, of the Company at Kassar & Kadi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹1,120.39 lakhs, ₹1,891.80 lakhs, ₹2,091.80 lakhs and ₹1,120.38 lakhs in FY21, FY22, FY23 and FY24 respectively.
- Rupee Loan of ₹ NIL lakhs (Previous year ₹575.00 lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. Entire loan has been repaid during FY 2019-20.
- Rupee Loan of ₹1131.99 lakhs (Previous Year ₹1337.50 lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is tentatively repayable in FY21 (₹125 lakhs), FY22 (₹216 lakhs), FY23 (₹222 lakhs), FY24 (₹228 lakhs), FY25 (₹234 lakhs) and FY26 (Balance amount).
- Rupee Loan of ₹101.87 lakhs (Previous year ₹528.49 lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant and machinery & other fixed assets of the company (present and future) and equitable mortgage over factory land & building of the company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the company (both current and future), equitable mortgage over

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- factory land & building of the company, properties owned by the promoters and their families and also personal guarantees of promoters. The said loan is repayable in FY21 ₹56.86 lakhs and in FY22 in its entirety (Balance Amount).
- h Rupee loan of ₹968.25 lakhs (Previous year ₹1,439.71 lakhs) of subsidiary company from banks is secured by first pari passu charge on all fixed assets (both present and future) including equitable mortgage of land and building and entire current assets (both present and future) and personal guarantee of promoters. The aforesaid loan is repayable in the FY 2020-21 of ₹603.11 lakhs, FY 2021-22 of ₹237.06 lakhs, FY 2022-23 of ₹56.22 lakhs and FY 2023-24 of ₹71.86 lakhs.
- i Rupee Loan of ₹937.50 lakhs (Previous year ₹1,354.17 lakhs) of subsidiary company from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the company both present and future and also personal guarantee of promoters. The said loan is repayable in 13 equal quarterly installments.
- j Rupee loan of ₹426.93 lakhs (Previous year ₹540.35 lakhs) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable fixed assets of the Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the company both present and future. The aforesaid loan is repayable in the FY 2020-21 of ₹129.96 lakhs, FY 2021-22 of ₹130.30 lakhs, FY 2022-23 of ₹75.80 lakhs and FY 2023-24 of ₹90.87 lakhs.
- k Rupee loan of ₹1,530.00 lakhs (Previous year 1,923.00 lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 20-21 ₹55.00 lakhs, FY 21-22 ₹200.00 lakhs, FY 22-23 ₹300.00 lakhs, FY 23-24 ₹300.00 lakhs, FY 24-25 ₹300.00 lakhs and FY 25-26 ₹375.00 lakhs.(Company has availed moratorium benefit declared by RBI under COVID-19 relaxation).
- l Rupee loan of ₹172.50 lakhs (Previous year 202.50 lakhs) of subsidiary company is secured by hypothecation of all existing and proposed plant & machineries and other assets, equitable mortgage of factory land and building, personal guarantee from certain directors & their relatives. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is FY 20-21 ₹15.00 lakhs, FY 21-22 ₹30.00 lakhs, FY 22-23 ₹30.00 lakhs, FY 23-24 ₹30.00 lakhs, FY 24-25 ₹30.00 lakhs and FY 25-26 ₹37.50 lakhs.(Company has availed moratorium benefit declared by RBI under COVID-19 relaxation).
- m Rupee term loan of ₹2,450.00 lakhs (Previous year ₹2,450.00 lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹183.75 lakhs, ₹306.25 lakhs, ₹367.50 lakhs, ₹367.50 lakhs, ₹367.50 lakhs, ₹428.75 lakhs and ₹428.75 lakhs in FY20-21, FY21-22, FY22-23, FY23-24, FY24-25, FY25-26 and FY26-27 respectively.
- n Rupee term loan of ₹750.00 lakhs (Previous year ₹1,000.00 lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. The aforesaid loan is repayable in 6 equal quarterly instalments ₹500.00 lakhs and ₹250.00 lakhs in FY20-21 and FY21-22 respectively.
- o Rupee term loan of ₹1000.00 lakhs (Previous year ₹1000.00 lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹75.00 lakhs, ₹125.00 lakhs, ₹150.00 lakhs, ₹150.00 lakhs, ₹150.00 lakhs, ₹175.00 lakhs and ₹175.00 lakhs in in FY20-21, FY21-22, FY22-23, FY23-24, FY24-25, FY25-26 and FY26-27 respectively.
- p Rupee term loan of ₹1000.00 lakhs (Previous Year ₹ NIL lakhs) of subsidiary company from a Bank is secured through first charge over the entire current assets of the company both present and future. The aforesaid loan is repayable in bullet payment ₹1000.00 lakhs in FY20-21 .
- q Other borrowings of ₹2,956.98 lakhs (Previous year ₹2,721.80 lakhs) of subsidiary company Equivalent to aggregate of USD 39.22 lakhs (Previous year USD 39.22 lakhs) is secured through exclusive charge over the entire movable and immovable fixed assets of the company both present and future and exclusive charge over entire current assets of the company both present and future. Repayment of aforesaid loan is ₹247.24 lakhs, ₹541.94 lakhs, ₹541.94 lakhs, ₹541.94 lakhs, ₹541.94 lakhs and ₹541.94 lakhs in FY21-22, FY22-23, FY23-24, FY24-25, FY25-26 and FY26-27 respectively.
- r Rupee loan of ₹305.00 lakhs (Previous Year ₹ NIL lakhs) of subsidiary company from a Bank is secured by first pari passu charge by way of hypothecation of all movable & Immovable fixed assets (including Land) and all current assets of the company both present and future. The aforesaid loan is repayable

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

- in forty eight equal Monthly installments starting from June, 2020.
- s Unsecured loans from others in subsidiary companies will be repaid once the existing loans from banks are fully repaid or as may be mutually agreed between that companies and their banks
- t The Company has availed moratorium of three months towards repayment of one term loan of ₹418.24 lakhs as per RBI Guideline.
- u Car loan from Banks and others are secured by hypothecation of cars purchased there under and are repayable in monthly installments over the period of loan.
- v Rate of interest applicable to all term loans is linked with MCLR.

20. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Trade Deposits	2,343.40	2,107.69
Security Deposits	17.50	163.92
Others	-	202.50
	2,360.90	2,474.11

21. Provisions (Non Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	690.07	470.48
	690.07	470.48

22. Deferred Income

	As At March 31, 2020	As At March 31, 2019
Grants related to Property, Plant and Equipment	386.68	-
	386.68	-

Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Group is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

23. Deferred tax

A. Deferred tax Assets

	As At March 31, 2020	As At March 31, 2019
Deferred tax Assets	1,537.09	828.84
Less: Deferred tax Liabilities	993.77	477.72
	543.32	351.12

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Movement in deferred tax balances

Particulars	As at March 31, 2019	Recognised in P&L			Recognised in OCI	As at March 31, 2020
		Reversal due to change in Tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	-	-	-	0.11	(0.17)	(0.06)
MAT Credit Entitlement	5.81	-	-	1.49	-	7.30
Others	794.34	-	0.72	734.81	-	1,529.84
Sub- Total (a)	800.15		0.72	736.42	(0.17)	1,537.09
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	449.03	(2.73)	-	545.85	-	992.15
Others	-	-	1.62	-	-	1.62
Sub- Total (b)	449.03	(2.73)	1.62	545.85	-	993.77
Net Deferred Tax Assets (a)-(b)	351.12	2.73	(0.90)	190.56	(0.17)	543.32

Particulars	As at April 1, 2018	Recognised in P&L			Recognised in OCI	As at March 31, 2019
		Reversal due to change in Tax rate	Others	At current tax rate		
Deferred Tax Assets						
MAT Credit Entitlement	19.70	-	(6.66)	(7.23)	-	5.81
Property, plant and equipment & Intangible assets	18.05	-	-	10.64	-	28.69
Others	101.35	-	(92.73)	785.72	-	794.34
Sub- Total (a)	139.10	-	(99.39)	789.13	-	828.84
Deferred Tax Liabilities						
Property, plant and equipment	98.72	-	(98.73)	477.73	-	477.72
Others	-	-	-	-	-	-
Sub- Total (b)	98.72	-	(98.73)	477.73	-	477.72
Net Deferred Tax Assets (a)-(b)	40.38	-	(0.66)	311.40	-	351.12

B. Deferred tax Liabilities

	As At March 31, 2020	As At March 31, 2019
Deferred tax Liabilities	5,304.06	6,589.88
Less: Deferred tax assets	1,177.74	923.40
	4,126.32	5,666.48

Particulars	As at March 31, 2019	Recognised in P&L			Recognised in OCI	As at March 31, 2020
		Reversal due to change in Tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	455.94	(117.61)	-	371.47	32.60	742.40
MAT Credit Entitlement	293.03	-	-	(14.03)	-	279.00
Others	174.43	(5.49)	(0.72)	(11.88)	-	156.34
Sub- Total (a)	923.40	(123.10)	(0.72)	345.56	32.60	1,177.74
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	6,569.04	(1,442.91)	-	159.30	-	5,285.43
Others	20.84	-	(1.62)	(0.59)	-	18.62
Sub- Total (b)	6,589.88	(1,442.91)	(1.62)	158.71	-	5,304.06
Net Deferred Tax Liability (b)-(a)	5,666.48	(1,319.81)	(0.90)	(186.86)	(32.60)	4,126.32

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at April 1, 2018	Recognised in P&L			Recognised in OCI	As at March 31, 2019
		Reversal due to change in Tax rate	Others	At current tax rate		
Deferred Tax Assets						
Accrued expenses	376.19	-	-	68.75	11.00	455.94
MAT Credit Entitlement	260.37	-	6.66	26.00	-	293.03
Others	-	-	92.73	81.70	-	174.43
Sub- Total (a)	636.56		99.39	176.45	11.00	923.40
Deferred Tax Liabilities						
Property, plant and equipment & Intangible assets	5,901.71	-	(226.09)	893.42	-	6,569.04
Others	11.22	-	-	9.62	-	20.84
Sub- Total (b)	5,912.93	-	(226.09)	903.04	-	6,589.88
Net Deferred Tax Liability (b)-(a)	5,276.37	-	(325.48)	726.59	(11.00)	5,666.48

The Group has recognised deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Group has MAT Credit Entitlement, unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier financial years. The Group has concluded that deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using estimated future taxable income based on approved business plans and budgets. The Group is expected to generate taxable income in near future. MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Group expects to recover the same in due course.

C. Amounts recognised in statement of profit & loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax expense		
Current year	582.61	2,231.26
Income tax for earlier year	124.24	38.01
	706.85	2,269.27
Deferred tax expense		
Origination and reversal of temporary differences	(1,699.10)	415.18
	(1,699.10)	415.18
Total Tax Expense	(992.25)	2,684.46

D. Amounts recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred Tax (Charge)/Credit		
Remeasurements of defined benefit liability	32.76	11.00
	32.76	11.00

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

E. Reconciliation of effective tax rate

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rate	Amount	Rate	Amount
Accounting Profit before tax		958.03		8,009.51
Tax using the Company's domestic tax rate	25.17%	241.12	34.94%	2,798.84
Tax effect of:				
Non-deductible expenses		59.60		112.72
Tax incentives		(13.98)		(266.08)
Changes in estimates related to prior years		124.24		38.01
Previously unrecognised deferred tax now recognised		(1.31)		0.13
Impact of opening deferred tax assets/liabilities due to change in tax rate		(1,317.07)		-
Effect of Tax paid at Higher Rate		13.89		(159.85)
Others		(98.74)		160.69
At the Effective Income Tax Rate		(992.25)		2,684.46

Note: The Holding company and four (4) subsidiary companies elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2020 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year.

Eight (8) Subsidiary companies have not exercised this option during the year and continue to recognise the taxes on income for year ended March 31, 2020 as per the normal tax rate at which management expect to recover or settle the deferred tax at this reporting date. Management of these Subsidiary companies will review the above position at each year end.

24. Other Non-Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Security Deposits	401.18	395.05
Less: Current Maturities	119.17	56.67
	282.01	338.38

25. Borrowings

	As At March 31, 2020	As At March 31, 2019
Secured Loans:		
Working Capital Facilities from Banks*		
Working Capital Demand Loans	2,873.14	1,961.23
Cash Credit	8,274.95	9,485.31
Unsecured Loans:		
- From Banks (Repayable on demand)	3,700.00	4,802.26
- From Others	-	229.81
- Discounting of Bills Payable	10,001.06	10,854.77
	24,849.15	27,333.38

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of current assets, all movable fixed assets ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created. (iii) in case of few subsidiaries also guaranteed by their directors.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

26. Trade Payables

	As At March 31, 2020	As At March 31, 2019
Outstanding dues of Micro Enterprises and Small Enterprises*	644.45	87.53
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	16,645.14	20,124.63
	17,289.59	20,212.16

* For MSME disclosure, Refer Note no. 49.

For details of payables to related parties, refer Note No. 42, Related Party Transactions.

27. Other Financial Liabilities

	As At March 31, 2020	As At March 31, 2019
Current Maturities of Non Current Borrowings	5,307.10	6,251.35
Interest Accrued	191.80	102.61
Capital Creditors	834.09	820.82
Unclaimed Dividends	47.70	555.53
Preference shares	-	113.19
Others	114.51	96.62
	6,495.20	7,940.12

28. Other Current Liabilities

	As At March 31, 2020	As At March 31, 2019
Statutory Dues	761.36	2,790.65
Security Deposits - current maturities of Other Non Current Liabilities	123.02	60.52
Advance from Customers	747.40	405.42
Sales Incentive	1,861.59	2,574.85
Others*#	2,675.14	2,420.92
	6,168.51	8,252.36

*includes accruals to employees and others.

For details of payables to related parties, refer Note No. 42, Related Party Transactions.

29. Provisions (Current)

	As At March 31, 2020	As At March 31, 2019
Employees Benefits	268.07	85.77
	268.07	85.77

30. Current tax Liabilities (net)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income Tax [Net of Advance March 31, 2020-₹3.70 lakhs, (Pervious year 51.24 lakhs)]	18.80	31.60
	18.80	31.60

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

31. Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of Goods	1,60,048.28	1,70,833.14
Less: Capitalized/ Transferred to CWIP	25.31	-
	1,60,022.97	1,70,833.14
Other Operating Revenue		
Scrap Sales	275.36	262.59
Sundry Balance Written Back	536.08	251.50
Insurance Claim Received	172.69	158.17
	1,61,007.10	1,71,505.40

32. Other Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	1,079.62	1,356.21
Profit on Sale of Current Investments	28.48	245.74
Net Gain on Fair Value of Current Investments	-	67.02
Miscellaneous Income	166.04	135.49
	1,274.14	1,804.46
Less: Capitalized/ Transferred to CWIP	-	8.42
	1,274.14	1,796.04

33. Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material Consumed	37,968.62	36,679.40
Packing Material Consumed	6,868.97	6,822.93
	44,837.59	43,502.33
Less: Capitalized/ Transferred to CWIP	141.29	144.36
	44,696.30	43,357.97

34. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade

	For the year ended March 31, 2020	For the year ended March 31, 2019
Closing Stock		
Finished Goods	19,712.70	15,363.54
Stock-in-Trade	4,188.76	3,676.37
Total Finished Goods	23,901.46	19,039.91
Work-in-Progress	1,347.47	1,858.55
	25,248.93	20,898.46
Less: Opening Stock		
Finished Goods*	13,678.46	12,735.77
Stock-in-Trade	3,676.37	3,008.83

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Finished Goods	17,354.83	15,744.60
Work-in-Progress #	1,666.15	1,573.94
	19,020.98	17,318.54
(Increase)/ Decrease in Stock	(6,227.95)	(3,579.92)
	(6,227.95)	(3,579.92)

* includes transfer on commissioning of new product line during the year ₹263.78 lakhs by Parent company (Previous year by a subsidiary of ₹146.06 lakhs).

includes transfer on commissioning of new product line during the year by a subsidiary of ₹ NIL lakhs (Previous year 88.57 lakhs).

35. Employee Benefit Expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary, Wages, Bonus etc.	22,526.61	21,509.05
Contribution towards Provident Fund and Gratuity Fund	767.49	738.53
Workmen & Staff Welfare	634.68	620.10
	23,928.78	22,867.68
Less: Capitalized/ Transferred to CWIP	24.10	116.14
	23,904.68	22,751.54

36. Finance Costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	4,491.46	4,834.12
Interest expense on lease liabilities	271.49	-
Other Borrowing Costs	340.32	217.04
	5,103.27	5,051.16
Less: Capitalized/ Transferred to CWIP	161.79	459.21
	4,941.48	4,591.95

36. Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and Spare Parts Consumed	5,721.13	6,127.87
Power & Fuel	34,593.36	36,992.31
Repairs and Maintenance:		
Buildings	106.21	127.84
Plant & Machinery	563.16	508.50
Others	144.46	165.51
Rent	150.00	1,037.26
Rates & Taxes	288.51	362.24
Insurance	533.65	490.50
Travelling and Conveyance	1,984.21	2,322.59
Net loss on foreign currency translations and transactions	149.23	1.49
Freight Outward and Handling Charges	3,129.58	3,664.94
Advertisement & Sales Promotion	5,184.31	4,893.61
Commission to Agents	297.05	433.55
CSR Expenses (Refer Note no. 54)	201.16	216.72
Provision for credit losses	804.20	284.90
Bad Debts	29.94	136.76

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

	For the year ended March 31, 2020		For the year ended March 31, 2019	
Less: Provision for Credit Loss Reversed	10.13	19.81	32.43	104.33
Investment Written off	89.30		89.30	
Less: Provision for Diminution in Investment	89.30	-	89.30	-
Sundry Balances Written Off		107.38		18.31
Technical Support and Services		16.38		-
Loss on Sale of Property, Plant and Equipment (net)		179.72		54.13
Property, Plant and Equipment Discard /Written Off		116.19		25.29
Movement in Fair Value of Investments		3.17		-
Other Expenses*		3,094.49		2,659.08
		57,387.36		60,490.97
Less: Capitalized/ Transferred to CWIP		151.74		383.34
		57,235.62		60,107.63

* For Payment to Statutory Auditor, Refer Note No. 44.

38. Earning per share

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year	1,500.25	4,631.66
Weighted average number of equity shares of ₹2/- each	4,23,79,426	4,23,79,426
EPS - Basic and Diluted (Per share in ₹)	3.54	10.93

38. Contingent liabilities, contingent assets and commitments

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at March 31, 2020	As at March 31, 2019
1. Claim and other demands against the Group not acknowledged as debts.	214.54	168.65
2. Sales Tax and purchase tax demands, among others against which the Group has preferred appeals.	239.93	536.18
3. Excise and custom duty (excluding interest and penalty) and service tax demands and show-cause notices issued against which the Group/Department has preferred appeals/filed replies.	-	36.53
4. Income tax and wealth tax demand disputed by the Group which excludes penalty, if any, as same can not be measured at this stage.	172.88	125.84
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Group.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Group.	15.41	15.41

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Group has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

B. Others

- (i) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on March 31, 2020 the Group is contingently liable to pay differential custom duty of ₹155.88 lakhs (Previous year - ₹155.88 lakhs) on such procurement.
- (ii) In light of judgment of Hon'ble Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	50.69	1,226.15

- (ii) The Company, in terms of the Share Subscription cum Shareholders Agreements with subsidiary companies, may contribute funds (loan / equity) in the proportion of its shareholding for the purpose of meeting repayment obligation to banks, financial institutions or other lenders, any statutory liability, liabilities towards fuel suppliers or such other similar liabilities, fund requirement for expansion/ diversification, etc. The Company shall not withdraw the funds so infused, if any, till the money remain due to bank.

39. Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	Amount (Foreign Currency in lakhs)	Amount (Equivalent Rupees in lakhs)	Amount (Foreign Currency in lakhs)	Amount (Equivalent Rupees in lakhs)
	March 31, 2020		March 31, 2019	
Open Exposures				
Receivables-USD	6.71	503.73	12.83	880.79
Receivables-CNY	0.01	0.10	-	-
Payables-USD	40.80	3,089.97	55.73	3,866.97
Payables-EURO	6.89	578.14	4.34	339.61
Payables-CNY	0.32	3.30	-	-

40. Details of Investment made, Loan and Guarantee given covered under section 186(4) of Companies Act, 2013

a) Loan given for business purposes

Name	Terms of repayment	For the year ended		Outstanding as on	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Zealous Financial Services Private Limited	Within one year	-	585.00	1,085.00	1,085.00
Sungloss Ceramic Industries	After one year	-	-	250.00	250.00
Commander Vitrified Private Limited	Within one year	-	345.00	345.00	345.00
Tinna Rubber & Infrastructure Limited	After one year	-	-	-	100.00
JSTI Investment Limited	Within one year	-	800.00	295.00	800.00
AM Mobile Telecom Private Limited	Within one year	-	1,400.00	805.00	1,400.00
AM Professional Services Private Limited	Within one year	-	400.00	300.00	400.00
Devang Consultancy Services Private Limited	Within one year	-	300.00	200.00	300.00
Kushagra Properties Private Limited	Within one year	-	300.00	-	300.00
Mentor Financial Services Private Limited	Within one year	-	910.00	-	910.00
J R Laddha Financial Services Private Limited	Within one year	-	300.00	-	300.00

The above loans carries interest rate in the range of 9.50% to 12.00% (Previous Year 9.50% to 14.50%)

- b) Details of investments made is given in Note No. 4 and 9.
- c) Details of guarantee and security given in Note No. 38C(ii).

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

41. Employee benefits

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Contribution to government Provident Funds	616.58	599.68

Above amounts have been included in Contributions to Provident and Gratuity Fund (Note no. 35) of the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2020			March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	1,490.46	1,511.87	(21.41)	1,365.16	1,385.81	(20.65)
Included in profit & loss						
Current service cost	194.46	-	194.46	136.02	-	136.02
Interest cost / (income)	114.17	(115.81)	(1.64)	105.25	(106.85)	(1.60)
Past Service Cost including curtailment Gains/Losses	76.74	-	76.74	-	-	-
	385.37	(115.81)	269.56	241.27	(106.85)	134.42
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	(1.00)	-	(1.00)	-	-	-
- financial assumptions	114.81	-	114.81	6.02	-	6.02
- experience adjustment	(27.09)	-	(27.09)	44.66	-	44.66
- on plan assets	-	61.87	61.87	-	(19.21)	(19.21)
	86.72	61.87	148.59	50.68	(19.21)	31.47
Other						
Contributions paid by the employer						
Benefits paid	(178.39)	-	(178.39)	(166.65)	-	(166.65)
	(178.39)	-	(178.39)	(166.65)	-	(166.65)
Closing Balance	1,784.16	1,565.81	218.35	1,490.46	1,511.87	(21.41)

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

B. Plan assets

Particulars	March 31, 2020	March 31, 2019
Fund managed by insurer	100%	100%
	100%	100%

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date

	March 31, 2020	March 31, 2019
Discount rate	6.80%	7.66%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to pay ₹202.07 lakhs (Previous Year ₹147.82 lakhs) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(72.54)	60.77	(58.75)	45.51
Expected rate of future salary increase (0.5% movement)	57.67	(71.00)	43.97	(58.17)

Sensitivities due to mortality & withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

E. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow :-

- Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- Investment Risk – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.
- Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

42. Related parties

A. Related parties and their relationships as identified by the Company.

i. Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany [^]	Chairman & Managing Director
Mr. Abhishek Somany [^]	Managing Director (Son of Chairman & Managing Director)
Mrs. Anjana Somany [^]	Whole time Director (Wife of Chairman & Managing Director)
Mr. G.G. Trivedi	Non- Executive Director
Mr. T.R. Maheshwari [^]	CEO upto April 16, 2019 & Additional Director from May 1, 2019 to August 18, 2019 and Non-Executive Director w.e.f. August 19, 2019
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO)
Mr. Amrishi Julka [^]	GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Managing Director
Mr. G. L. Sultania	Non- Executive Director (upto May 24, 2018)
Mr. Siddarath Bindra	Independent Director
Mr. R.K. Daga	Independent Director upto March 31, 2019
Mr. Ravindra Nath	Independent Director
Mr. Salil Singhal	Independent Director
Mr. Y. K. Alagh	Independent Director upto March 31, 2019
Mr. Rameshwar Singh Thakur	Independent Director w.e.f. May 24, 2018
Mrs. Rumjhum Chatterjee	Independent Director w.e.f. September 01, 2018
Mr. Vineet Agarwal	Additional Director from May 01, 2019 to August 18, 2019 and Independent Director w.e.f. August 19, 2019

[^] KMP under the Companies Act, 2013.

ii. Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

iii. Enterprise over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year:

Schablona India Limited

iv. Other related parties with which Company has transactions:

Name	Relationship
Trans India Ceramics Private Limited	Private company in which director is a director
Vidres India Ceramics Private Limited	Private company in which director is a director
Yogi Cerachem Private Limited	Private company in which director is a director
Ishiv India Solutions Private Limited	Private company in which director's relative is a director
Biba Apparels Private Limited	Private company in which director is a director
TCI-Concor Multimodal Solutions Private Limited	Private company in which director is a director
Transport Corporation of India Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives
TCI Express Limited	Public company in which director is a director and holds more than 2% shares alongwith relatives

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

B. Transactions with the above in the ordinary course of business

Nature of Transactions	Key Managerial Personnel	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
-Remuneration	299.60	296.28
- Commission	-	45.80
Outstanding at the year-end:		
- Remuneration Payable	3.66	10.16
- Commission Payable	-	45.80
Mr. Abhishek Somany		
-Remuneration	332.70	346.97
- Rent Paid	9.84	9.36
Outstanding at the year-end:		
- Remuneration Payable	9.32	14.88
Mrs. Anjana Somany		
-Remuneration	26.88	26.90
- Rent Paid	3.36	3.20
Outstanding at the year-end:		
- Remuneration Payable	0.26	1.76
Mrs. Minal Somany		
-Remuneration	27.15	27.15
- Rent Paid	14.56	15.14
Outstanding at the year-end:		
- Salary Payable	1.31	1.30
Mr. G.G. Trivedi		
-Consultancy Fees	34.99	33.00
-Commission	-	5.00
-Sitting Fees	1.35	1.00
Outstanding at the year-end:		
- Commission Payable	-	4.75
Mr. T.R. Maheshwari		
-Remuneration	54.67	115.20
-Consultancy Fees	44.86	-
-Sitting Fees	0.90	-
-Reimbursement of Expenses	0.05	-
Outstanding at the year-end:		
-Salary Payable	-	4.51
-Advance Receivable	-	30.00
Mr. Saikat Mukhopadhyay		
-Remuneration	122.27	102.64
Outstanding at the year-end:		
-Salary Payable	2.19	3.95
Mr. Ambrish Julka		
-Remuneration	31.03	27.66
Outstanding at the year-end:		
-Salary Payable	2.41	1.30
Non- Executive/Independent Directors		
Mr. G. L. Sultania		
-Commission	-	0.74

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	Key Managerial Personnel	
	For the year ended March 31, 2020	For the year ended March 31, 2019
-Sitting Fees	-	0.30
Outstanding at the year-end:		
-Commission Payable	-	0.70
Mr. Siddharath Bindra		
-Commission	-	5.00
-Sitting Fees	1.60	0.90
Outstanding at the year-end:		
-Commission Payable	-	4.75
Mr. R.K. Daga		
-Commission	-	5.00
-Sitting Fees	-	1.15
Outstanding at the year-end:		
-Commission Payable	-	4.75
Mr. Ravindra Nath		
-Commission	-	5.00
-Sitting Fees	1.00	0.55
Outstanding at the year-end:		
-Commission Payable	-	4.75
Mr. Salil Singhal		
-Commission	-	5.00
-Sitting Fees	1.45	0.75
Outstanding at the year-end:		
-Commission Payable	-	4.75
Mr. Y. K. Alagh		
-Commission	-	5.00
-Sitting Fees	-	0.45
Outstanding at the year-end:		
-Commission Payable	-	4.75
Mr. Rameshwar Singh Thakur		
- Commission	-	4.27
- Sitting Fees	1.35	0.30
- Reimbursement of Expenses	1.23	-
Outstanding at the year-end:		
- Commission Payable	-	4.06
Mrs. Rumjhum Chatterjee		
- Commission	-	2.90
- Sitting Fees	1.25	0.15
Outstanding at the year-end:		
- Commission Payable	-	2.76
Mr. Vineet Agarwal		
- Sitting Fees	1.20	-
Summary of payment made to KMP		
Short term employee benefits*	904.42	1,032.07
Other Payments	108.89	60.71
* Excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
b) With Other Related Parties are as under:-		
Schablona India Limited		

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Nature of Transactions	Key Managerial Personnel	
	For the year ended March 31, 2020	For the year ended March 31, 2019
-Purchase Of Goods	10.90	90.57
-Rent Paid	4.67	-
-Sales of Goods	66.05	162.20
-Rent Received	0.78	0.99
Outstanding at the year-end:		
-Trade Payables	1.03	-
-Trade Receivable	1,094.28	1,145.89
Biba Apparels Private Limited		
-Sale of Goods	-	3.67
Outstanding at the year-end:		
-Trade Receivable	-	1.75
-Other Payable	1.66	-
Yogi Cerachem Private Limited		
-Purchase of goods	-	4.21
Vidres India Ceramics Private Limited		
-Purchase of goods	2,537.45	3,189.25
-Sale of Fixed Assets	-	7.18
Outstanding at the year-end:		
-Trade Payable	358.54	346.92
H. L. Somany Foundation		
-Contribution towards CSR Activities	195.00	202.84
-Rent Received	0.24	0.24
-Payments made on their behalf	-	5.70
Ishiv India Solution Private Limited		
-Purchase of goods	49.87	164.94
-Services Received	-	2.77
Outstanding at the year-end:		
-Trade Payable	7.39	8.47
TCI Express Limited		
-Purchase of goods	59.22	-
Outstanding at the year-end:		
-Trade Payable	28.96	-
TCI-Concor Multimodal Solutions Private Limited		
-Purchase of goods	2.71	-
Outstanding at the year-end:		
-Trade Payable	1.16	-
Transport Corporation of India Limited		
-Purchase of goods	212.43	-
Outstanding at the year-end:		
-Trade Payable	22.87	-
Trans India Ceramics Private Limited		
-Purchase of goods	398.73	-
-Services received	18.31	-
Outstanding at the year-end:		
-Trade Payable	3.16	-

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

43. Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
Current	3,413.10	-	6,828.08	-
Loans				
Non Current	-	460.00	-	500.00
Current	-	3,030.00	-	5,840.00
Trade receivables	-	27,981.10	-	41,794.20
Cash and cash equivalents	-	1,487.06	-	2,950.56
Bank balances other than above	-	518.64	-	1,053.07
Others				
Non Current	-	1,231.71	-	1,261.56
Current	-	745.61	-	1,126.57
	3,413.10	35,454.12	6,828.08	54,525.96
Financial Liabilities				
Borrowings				
Non Current	-	19,656.30	-	23,727.99
Current	-	24,849.15	-	27,333.38
Lease Liability				
Non Current	-	2,461.55	-	-
Current	-	626.29	-	-
Other Financial Liabilities				
Non-current	-	2,360.90	-	2,474.11
Current	-	6,495.20	-	7,940.12
Trade payables	-	17,289.59	-	20,212.16
	-	73,738.98	-	81,687.76

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	91.25	3,321.85	-	3,413.10
Total financial assets	91.25	3,321.85	-	3,413.10

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	93.34	6,734.74	-	6,828.08
Total financial assets	93.34	6,734.74	-	6,828.08

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Loans				
Non Current	460.00	460.00	500.00	500.00
Current	3,030.00	3,030.00	5,840.00	5,840.00
Trade receivables	27,981.10	27,981.10	41,794.20	41,794.20
Cash and cash equivalents	1,487.06	1,487.06	2,950.56	2,950.56
Bank balances other than above	518.64	518.64	1,053.07	1,053.07
Others				
Non Current	1,231.71	1,231.71	1,261.56	1,261.56
Current	745.61	745.61	1,126.57	1,126.57
	35,454.12	35,454.12	54,525.96	54,525.96
Financial liabilities				
Borrowings				
Non Current	19,656.30	19,656.30	23,727.99	23,727.99
Current	24,849.15	24,849.15	27,333.38	27,333.38
Lease Liability				
Non Current	2,461.55	2,461.55	-	-
Current	626.29	626.29	-	-
Other financial liabilities				
Non-current	2,360.90	2,360.90	2,474.11	2,474.11
Current	6,495.20	6,495.20	7,940.12	7,940.12
Trade payables	17,289.59	17,289.59	20,212.16	20,212.16
	73,738.98	73,738.98	81,687.76	81,687.76

The management considers that the carrying amount of financial assets and financial liabilities carried as amortised cost approximates their fair value.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Group, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Group's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Group, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Group's review includes market check, industry feedback, past Financial and external ratings, if they are available, and in some cases bank reference checks are also done.

The Group creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The gross carrying amount of trade receivables is ₹29,334.61 lakhs (Previous year ₹42,366.26 lakhs).

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Opening balance	572.06	319.53
Changes in loss allowance	781.45	252.53
Closing balance	1,353.51	572.06

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Investments

Group invests in Bonds, Debentures, Liquid Mutual Funds etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default.

iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount March 31, 2020	Contractual cash flows			
		On demand	Less than 1 Year	1-5 years	More than 5 years
Financial liabilities					
Borrowings	24,963.40	-	5,307.11	14,082.03	5,574.26
Lease Liability	3,087.84	-	626.29	1,884.11	577.44
Other non-current financial liabilities	2,360.90	-	-	2,360.90	-
Current Borrowings	24,849.15	12,975.33	11,873.82	-	-
Trade payables	17,289.59	-	17,289.59	-	-
Other current financial liabilities	1,188.10	-	1,188.10	-	-
Total financial liabilities	73,738.98	12,975.33	36,284.90	18,327.04	6,151.70

Particulars	Carrying Amount March 31, 2019	Contractual cash flows			
		On demand	Less than 1 Year	1-5 years	More than 5 years
Financial liabilities					
Borrowings	29,979.34	-	6,251.35	18,887.33	4,840.66
Other non-current financial liabilities	2,474.11	-	-	2,474.11	-
Current Borrowings	27,333.38	11,678.61	15,654.77	-	-
Trade payables	20,212.16	-	20,212.16	-	-
Other current financial liabilities	1,688.77	-	1,688.77	-	-
Total financial liabilities	81,687.76	11,678.61	43,807.05	21,361.44	4,840.66

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO & CNY. The risk is measured through a forecast of highly probable foreign currency cash flows.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in lakhs)

	As at March 31, 2020			As at March 31, 2019	
	CNY	USD	EUR	USD	EUR
Trade payables	0.32	1.58	2.81	16.31	0.26
Payable for capital goods	-	-	4.08	0.20	4.08
Borrowings	-	39.22	-	39.22	-
Less Trade receivables	0.01	6.71	-	12.83	-
Net statement of financial position exposure	0.31	34.09	6.89	42.90	4.34

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
CNY 1	10.18	-	10.24	-
USD 1	70.88	69.94	75.73	69.39
EUR 1	78.80	80.96	83.94	78.33

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020				
CNY (10% movement)	(0.32)	0.32	(0.24)	0.24
USD (10% movement)	(258.19)	258.19	(193.21)	193.21
EUR (10% movement)	(57.81)	57.81	(43.26)	43.26
March 31, 2019				
USD (10% movement)	(297.67)	297.67	(193.65)	193.65
EUR (10% movement)	(33.96)	33.96	(22.09)	22.09

Derivatives financial instruments

Derivative contracts entered into by one Subsidiary Company and outstanding as on March 31, 2020 for hedging currency risks:

Nature of Derivative	Type	No. of Contracts	Foreign Currency (In Lakhs)	Amount (In Lakhs)
Forward Covers				
USD/INR	Buy	1	39.22	2,956.98

Note: INR equivalent values have been calculated at the year end exchange rates in INR to give an indicative value of the contracts in Indian rupees. Actual hedges however may be in different currency denominations.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Group's borrowings at variable rate were denominated mainly in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments		
Borrowings	10,061.51	11,017.66
	10,061.51	11,017.66
Variable-rate instruments		
Borrowings	39,751.05	46,295.06
	39,751.05	46,295.06

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2020				
Variable-rate instruments	(198.76)	198.76	(148.73)	148.73
Cash flow sensitivity	(198.76)	198.76	(148.73)	148.73
March 31, 2019				
Variable-rate instruments	(231.48)	231.48	(150.59)	150.59
Cash flow sensitivity	(231.48)	231.48	(150.59)	150.59

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

44. Payment to Auditors

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies	Statutory Auditor of Parent Company	Statutory Auditor of Subsidiary Companies
Statutory audit fee	12.50	21.10	10.76	19.64
Tax audit fee	2.50	0.35	2.66	0.35
Limited Review and Certification fee	4.65	4.21	4.97	1.13
Reimbursement of expenses	1.88	0.47	1.19	0.29
Total	21.53	26.13	19.58	21.41

Previous year includes fees paid to statutory auditors of amalgamating companies (refer note no. 53).

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

45. Exceptional item

Mentor Financial Services Private Limited (Mentor) issued a cheque of ₹2,618.26 lakhs, against amounts due. This cheque bounced owing to insufficient funds. The Company has issued demand notices to Mentor, its directors and authorized signatories for repayment. In view of the continued default, the Company has also filed criminal complaint against Mentor and its directors. As an abundant caution, the Company has accounted for the cheque bouncing event in the financial statements and disclosed it under the head 'Exceptional item. In previous year Exceptional item of ₹741.28 lakhs consists of (i) Gain of ₹532.02 lakhs from divestment of investment in Commander Vitrified Private Limited (ii) Gain of ₹510.73 lakhs on account of provision written back, created earlier towards levy of additional tax on procurement of natural gas in Haryana plant (iii) Loss of ₹198.21 lakhs due to non-recoverability of an insurance claim in respect of loss of stock due to fire (iv) Loss of ₹1,585.82 lakhs due to defalcation committed by an employee (refer note (a) below).

(a) During the previous year, Company discovered defalcation committed by an employee, responsible for payment processing of certain imported trading goods. Matter is being investigated by law enforcement agencies. Company has insured such defalcation risks under Employee Dishonesty Insurance Policy. The Company is confident of recovering the amount. However, as a matter of abundant caution a provision has been created in the books of accounts.

46. Out of ₹11,999.97 lakhs raised through qualified institutions placement of equity shares in December, 2015, the Company has so far utilized ₹7,170.66 lakhs (previous year ₹1,849.97 lakhs), including issue expenses of ₹307.34 lakhs, for the purpose the fund were so raised and balance ₹4,829.31 lakhs (previous year ₹10,150.00 lakhs) has been temporarily invested mainly in the debt instruments/ funds.

47. Dividend

Dividend paid during the year ended March 31, 2020 include ₹2/- per equity share towards final dividend for the year ended March 31, 2019 and ₹2/- per equity share towards interim dividend for the year ended March 31, 2020 out of profit available for distribution. Dividend paid during the year ended March 31, 2019 represent ₹2/- per equity share towards final dividend for the year ended March 31, 2018.

48. Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

49. Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	March 31, 2020	March 31, 2019
Principal amount and Interest due thereon remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

50. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group.

Particulars	March 31, 2020	March 31, 2019
Equity Share Capital	847.59	847.59
Other Equity	59,796.77	60,456.53
Non Controlling Interest	9,408.72	8,958.45
Total Equity	70,053.08	70,262.57
Non-Current Borrowings	19,656.30	23,727.99
Current maturities of Non-Current Borrowings	5,307.10	6,251.35
Current Borrowings	24,849.15	27,333.38
Preference Shares	-	113.19
Total Debts	49,812.55	57,425.91

51. Changes in Liabilities and Asset from Financing Activities are as under:

Particulars	March 31, 2020	Cash Flow changes	Non Cash Changes			March 31, 2019
			Obtaining/losing Control of Subsidiary	Foreign Exchange Movement	Others	
Non Current borrowings	24,963.41	(5,288.82)	-	254.44	18.44	29,979.34
Current borrowings	24,851.41	(2,481.97)	-	-	-	27,333.38
Lease Liability	3,087.84	(877.52)	-	-	3,965.36	-
Total liabilities from financing activities	52,902.66	(8,648.31)	-	254.44	3,983.80	57,312.72

Particulars	March 31, 2019	Cash Flow changes	Non Cash Changes			March 31, 2018
			Obtaining/losing Control of Subsidiary	Foreign Exchange Movement	Others	
Non Current borrowings	29,979.34	8,773.68	(1,796.94)	217.84	-	22,784.76
Current borrowings	27,333.38	(1,568.04)	(2,277.86)	-	-	31,179.28
Total liabilities from financing activities	57,312.72	7,205.64	(4,074.80)	217.84	-	53,964.04

52. Transition to Ind AS 116

The Group has adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and using modified retrospective approach, accordingly, the Group has not restated comparative information and there is no cumulative effect of initially applying this standard on opening balance of retained earnings as on April 1, 2019.

(A) The Group recognised ROU assets for the following asset categories:-

ROU Asset Category	(₹ In Lakhs) As at 01 April, 2019
Lease Hold Land	339.94
Buildings	3,693.87

(B) The operating cash flows for the year ended March 31, 2020 has increased by ₹877.52 lakhs and the financing cash flows have decreased by ₹877.52 lakhs as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(C) The Group incurred ₹155.99 Lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

(D) Practical expedients applied on initial application date i.e. April 01, 2019

- (i) The Group has not reassessed whether a contract, is or contains a lease at the date of initial application.
- (ii) The Group has utilised exemption provided for short term leases and leases for which the underlying asset is of low value on a lease-by-lease basis.
- (iii) Initial direct costs are excluded from measuring the right-of-use asset at the date of initial application.
- (iv) The Group used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- (v) The Group has relied on it's assessment of whether leases are onerous.
- (vi) The weighted average of Group's incremental borrowing rate applied to lease liabilities at date of initial application i.e. 01 April, 2019 was 8.75%.
- (vii) The Group has carried forward the amount of the finance lease assets (reclassified as ROU).
- (viii) The Group has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as the date of initial application.

Group as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any significant impact on account of sub-lease on the application of this standard.

The Group has recognised rent income under the head of other income as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Rent received during the year	10.29	2.76

53. Business Combination

The National Company Law Tribunal Kolkata bench, (NCLT) vide order dated September 4, 2019 sanctioned the Scheme of Amalgamation of Bhilwara Holdings Limited, Sarvottam Vanijya Limited and Scope Vinimoy Private Limited (Amalgamating Companies) engaged in the business of investment activity, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. April 01, 2018. The Scheme became effective on September 25, 2019.

The accounting effect of this Amalgamation to in the financial statements has been given as under:-

- i) In terms of the said scheme, authorised capital of the company has been increased by ₹230 Lakhs (1,15,00,000 equity shares of ₹2 each) on merger of authorised share capital of amalgamating companies.
- ii) In terms of the said Scheme, 1(ONE) fully paid-up equity share of ₹2/- each of Amalgamated Company has been issued and allotted to the Shareholders of the Amalgamating Companies in proportion of their respective shareholdings in the Amalgamating Companies for every 1(ONE) fully paid up equity share of ₹2/- each held by the Amalgamating companies in Amalgamated Company. The amalgamation being a common control transaction has been accounted for under the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combinations.
- iii) The share capital of the Amalgamating Company as on the Appointed Date shall stand cancelled.
- iv) The Amalgamated Company has recorded all assets and liabilities of the Amalgamating Companies vested in it pursuant to the scheme, at the respective book values thereof, as appearing in the books of account of the Amalgamating Companies immediately before the appointed date.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e April 01, 2018) is as follows:

a) Summary of Assets, Liabilities and Reserve acquired

Particular		₹ In Lakhs			Total
		Bhilwara Holdings Limited	Sarvottam Vanijya Limited	Scope Vinimoy Private Limited	
Assets					
Current investments		1.01	0.93	0.97	2.91
Cash and cash equivalents		0.15	0.10	0.20	0.45
Current tax assets		78.41	26.28	13.38	118.07
Total Assets	(x)	79.57	27.31	14.55	121.42
Liabilities					
Other current liabilities		0.15	0.18	0.09	0.43
Current provisions		75.25	26.30	13.40	114.95
Total Liabilities	(y)	75.40	26.48	13.49	115.38
Other Equity					
Capital reserve		15.10	7.80	-	22.90
Amalgamation reserve		122.51	68.75	-	191.27
Securities premium		-	99.96	502.78	602.74
Capital redemption reserve		78.40	-	-	78.40
General reserve		159.92	180.00	-	339.92
Special reserve		351.00	207.01	103.70	661.71
Retailed earnings		1,417.61	981.99	426.11	2,825.70
Total Reserves	(z)	2,144.54	1,545.51	1,032.58	4,722.64
Net Assets, Liabilities and Other Equity acquired as at April 01, 2018 (x-y-z)		(2,140.37)	(1,544.69)	(1,031.53)	(4,716.59)

b) Consideration

Amalgamating Companies hold 1,90,87,200 Equity shares of Amalgamated company which stand cancelled and equal number of Equity Shares 1,90,87,200 of ₹2/- each have been issued to the share holders of the Amalgamating companies in the proportion of their shareholding in the Amalgamating companies.

c) As scheme of amalgamation, given effect from appointed date April 1, 2018, accordingly Financial Statements for the year end March 31, 2019 has been restated incorporating the effect of scheme of amalgamation based on special purpose audited financial statements of amalgamating companies for the financial year 2018-19, audited by other auditors.

54. As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹198.42 Lakhs (Previous Year ₹216.72 Lakhs). During the year ended March 31, 2020, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹201.16 Lakhs (Previous year ₹216.72 Lakhs).

55. Due to outbreak of Covid-19 globally and in India, the Company had on March 23, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Further, the Group has carried out its initial assessment of the likely adverse impact on economic environment and financial risk because of Covid-19. The Group is in the business of manufacturing and trading of "Ceramics tiles and Allied Products", which are connected with the construction activities that are in a way fundamental to the Indian economy. Although, there is significant impact, on account of demand destruction, in the short term, however, management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Group, in the long-term. The Group estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be affected by the severity and duration of pandemic. The Group is continuously monitoring any material change in future economic conditions.

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

56. The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Name	Country of Incorporation	Percentage of Ownership interest as at March 31, 2020	Percentage of Ownership interest as at March 31, 2019
SR Continental Limited	India	100%	100%
Somany Bathware Limited (Formerly known as Somany Global Limited)	India	100%	100%
Amora Tiles Private Limited	India	51%	51%
Somany Fine Vitrified Private Limited	India	51%	51%
Somany Sanitaryware Private Limited	India	51%	51%
Somany Excel Vitrified Private Limited	India	100%	100%
Vintage Tiles Private Limited	India	50%	50%
Commander Vitrified Private Limited (Ceases w.e.f. July 1, 2018)	India	0%	0%
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited (Formerly known as Sudha Ceramics Private Limited)	India	60%	60%
Amora Ceramics Private Limited	India	51%	51%
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited) (w.e.f. May 1, 2018)	India	51%	51%

57. Disclosure of the additional information as required by the Schedule III:

a) As at and for the year ended March 31, 2020

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.26%	58,374.76	88.40%	1,326.22	100.21%	(116.62)	87.41%	1,209.60
Subsidiaries (Indian)								
SR Continental Private Limited	0.22%	134.63	-0.27%	(4.02)	0.00%	-	-0.29%	(4.02)
Somany Global Limited	0.15%	89.36	0.27%	4.12	0.00%	-	0.30%	4.12
Amora Tiles Private Limited	2.94%	1,783.22	-3.22%	(48.25)	0.00%	-	-3.49%	(48.25)
Somany Fine Vitrified Private Limited	4.07%	2,465.27	8.96%	134.38	0.00%	-	9.71%	134.38
Somany Sanitaryware Private Limited	1.91%	1,159.69	2.26%	33.87	0.00%	-	2.45%	33.87
Somany Excel Vitrified Private Limited	0.58%	349.44	1.32%	19.78	0.00%	-	1.43%	19.78
Vintage Tiles Private Limited	2.56%	1,552.59	-10.16%	(152.40)	0.00%	-	-11.01%	(152.40)
Commander Vitrified Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Acer Granito Private Limited	4.09%	2,480.61	8.11%	121.74	0.00%	-	8.80%	121.74
Vicon Ceramic Private Limited	1.60%	967.93	3.36%	50.44	0.00%	-	3.64%	50.44

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Sudha Somany Ceramics Private Limited	1.06%	642.55	-62.44%	(936.74)	0.00%	-	-67.69%	(936.74)
Amora Ceramics Private Limited	1.20%	727.14	0.95%	14.22	0.00%	-	1.03%	14.22
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited)	1.27%	769.10	-3.35%	(50.23)	-0.41%	0.47	-3.60%	(49.75)
Non Controlling Interest in All Subsidiaries	-15.51%	(9,408.72)	-30.00%	(450.03)	0.20%	(0.23)	-32.54%	(450.26)
Consolidated Adjustments/ Eliminations*	-2.38%	(1,443.22)	95.79%	1,437.14	0.00%	-	103.85%	1,437.14
	100.00%	60,644.36	100.00%	1,500.25	100.00%	(116.38)	100.00%	1,383.87

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

b) As at and for the year ended March 31, 2019

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	96.58%	59,208.80	99.96%	4,629.69	100%	(20.47)	99.96%	4,609.22
Subsidiaries (Indian)								
SR Continental Limited	0.23%	138.64	-0.15%	(7.00)	0%	-	-0.15%	(7.00)
Somany Global Limited	0.14%	85.24	0.07%	3.30	0%	-	0.07%	3.30
Amora Tiles Private Limited	2.99%	1,831.47	-4.74%	(219.72)	0%	-	-4.77%	(219.72)
Somany Fine Vitrified Private Limited	3.80%	2,330.85	3.56%	164.92	0%	-	3.58%	164.92
Somany Sanitaryware Private Limited	1.84%	1,125.81	1.33%	61.73	0%	-	1.34%	61.73
Somany Excel Vitrified Private Limited	0.37%	229.66	-0.09%	(4.07)	0%	-	-0.09%	(4.07)
Vintage Tiles Private Limited	2.78%	1,704.99	1.83%	84.84	0%	-	1.84%	84.84
Commander Vitrified Private Limited	0.00%	-	-1.89%	(87.47)	0%	-	-1.90%	(87.47)
Acer Granito Private Limited	3.85%	2,358.87	3.45%	159.77	0%	-	3.46%	159.77
Vicon Ceramic Private Limited	1.50%	917.53	1.94%	89.87	0%	-	1.95%	89.87
Sudha Somany Ceramics Private Limited	2.58%	1,579.29	2.17%	100.72	0%	-	2.18%	100.72
Amora Ceramics Private Limited	1.16%	712.92	-3.75%	(173.46)	0%	-	-3.76%	(173.46)

Notes to Consolidated Financial Statements for the Year Ended March 31, 2020

(All amounts are in rupees lakhs, unless otherwise stated)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Somany Bath Fittings Private Limited (Formerly known as Karanjot Enterprises Private Limited)	1.34%	818.85	1.04%	48.21			1.05%	48.21
Non Controlling Interest in All Subsidiaries	-14.61%	(8,958.45)	-14.97%	(693.39)	0%	-	-15.04%	(693.39)
Consolidated Adjustments/ Eliminations*	-4.54%	(2,780.36)	10.23%	473.71	0%	-	10.27%	473.71
	100.00%	61,304.12	100.00%	4,631.66	100.00%	(20.47)	100.00%	4,611.19

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

58. The figures for the previous periods have been regrouped/rearranged, wherever considered necessary, to conform current period classifications.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Bimal Kumar Sipani

Partner

M. No. 088926

Place: Noida

Date: June 25, 2020

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Saikat Mukhopadhyay

Chief Financial Officer

Abhishek Somany

Managing Director

DIN: 00021448

Ambrish Julka

GM - Legal and Company Secretary

SOMANY CERAMICS LIMITED

Regd. Office: 2, Red Cross Place, Kolkata, West Bengal-700001
CIN: L40200WB1968PLC224116, website: www.somanyceramics.com
Phone: 033-22487406/5913, E-mail: ambrish.julka@somanyceramics.com

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of the Members of Somany Ceramics Limited will be held on Tuesday, the August 18, 2020 at 12 Noon (IST) through Video Conferencing ("VC")/ Other Audio Visual Means("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt: -

the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of Directors' and Auditors' thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with report of Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹2/- per Equity Share of the Company for the financial year ended March 31, 2020 as final dividend.
3. To appoint a Director in place of Shri Ghanshyam Girdharbhai Trivedi (DIN:00021470), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

Authorize borrowings by way of Issuance of Non-Convertible Debentures/Bonds/Other Similar Instruments.

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and subject to all the applicable laws and Regulations, including but not limited to SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Listing Agreement entered into with the Stock Exchange (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow from time-to-time by making offer(s) or

invitation(s) to subscribe or issuance of redeemable Non-Convertible Debentures (NCD)/Bonds/Other similar instruments, whether secured or unsecured, on private placement basis, in one or more tranches, upto an amount not exceeding ₹50 Crore (Rupees Fifty Crore Only) during a period of one year from the date of passing of this Resolution on such terms and conditions as the Board may, from time to time, determine and consider proper and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time to time."

5. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

Re-appointment of Shri Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from September 01, 2020 till August 31, 2023.

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] consent and/or approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Shreekant Somany ("Shri Somany") (DIN: 00021423) as Key Managerial Personnel and designated as the Chairman and Managing Director of the Company, for a further period of 3 (Three) consecutive years commencing from September 01, 2020 till August 31, 2023, not liable to retire by rotation and to receive remuneration by way of salary, commission, perquisites and/or allowances as the Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration Committee and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART and also set out in the Statement pursuant to Section 102 of the Companies Act, 2013, attached to the notice convening the 52nd Annual General Meeting of the Company, which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Somany as the Chairman

and Managing Director of the Company and/or remuneration payable to him and/or agreement containing the terms and conditions as may be agreed to between the Board of Directors and Shri Somany."

"RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification or re-enactment thereof) subject to other applicable provisions, if any, and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded for payment of remuneration to Shri Shreekant Somany, (DIN: 00021423) Chairman and Managing Director of the Company, who is a Promoter of the Company, during his term commencing on September 01, 2020 and ending on August 31, 2023, notwithstanding that the annual remuneration to Shri Shreekant Somany exceeds ₹5 Crore or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or the aggregate annual remuneration to executive directors exceeds 5 per cent of the net profits of the Company."

"RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profit or its profits are inadequate, the

Company may pay Shri Somany the remuneration as may be approved from time to time, as the minimum remuneration subject to limits laid down in Schedule V of the Companies Act, 2013 or as approved by the shareholders of the Company by way of Special Resolution or otherwise as permissible by law for the time being in force."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary, modify the terms and conditions including increase the remuneration, subject to applicable provisions, for the time being in force, and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For Somany Ceramics Limited

(Ambrish Julka)

General Manager (Legal) & Company Secretary

M.No.F4484

Place: Noida

Dated: June 25, 2020

NOTES:

1. Explanatory Statements setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are provided in the Annexure - A to this Notice.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 ("MCA Circulars") and Securities and Exchange Board of India (SEBI) vide its circular dated May 12, 2020 ("SEBI Circular"), 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. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 52nd Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below in the e-voting instructions.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 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 entered into an agreement with 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.
4. 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.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. 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.

However, pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Members (i.e. other than Individuals/HUF, NRI, etc or Trust(s)) can appoint their representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (PDF/JPG Format) of their Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM to the Scrutinizer by email through its registered email address to ppincha@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com
7. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website i.e. www.somanyceramics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from August 11, 2020 to August 18, 2020 (both days inclusive).
10. Members holding shares in physical form are requested to notify changes, if any, in their address and the Bank Account particulars to the Company's **Registrars & Share Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th floor, Kolkata, West Bengal, 700001. Telephone No. 033-22435029/22482248, Fax No. 033- 22484787, E-mail: mdpldc@yahoo.com**
11. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
12. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH.13 to the Registrars & Share Transfer Agent of the Company for nomination and Form SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection.
14. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 the unpaid/unclaimed dividends upto the year 2011-2012 has been transferred to Investor Education and Protection Fund ("IEPF") and dividends for the Financial Year ended March 31, 2013 and thereafter which remain unpaid or unclaimed for a period of 7 consecutive years will also be transferred to the IEPF constituted by the Central Government, on the respective due dates after October 07, 2020. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website www.somanyceramics.com. Members, who have not encashed their dividend warrant(s) for the financial year ended March 31, 2013 or any subsequent financial year(s) are urged to claim such amount from the Company immediately. Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder.
 - (b) Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on August 19, 2019 (the date of last Annual General Meeting) on the website of the Company www.somanyceramics.com.
 - (c) Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been encashed/claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the Members to the Demat Account of the IEPF. Accordingly, the Company has transferred 15,065 Equity Shares of ₹2/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2011-12, details of which are available on website of the Company

also. Similarly, the Company will transfer such shares to the Demat Account of IEPF Authority on which dividend for 2012-13 will remain un-encashed for consecutive 7 years, as per the guidelines issued by the concerned authority/(ies) from time to time.

15. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The Company and its Registrars and Share Transfer Agent are required to seek relevant bank details of shareholders from depositories/investors for making payment of dividends in electronic mode. Further, pursuant to recent General Circular 20/2020 dated May 05, 2020 companies are directed to credit the dividend of the shareholders directly to the bank accounts of the shareholders using Electronic Clearing Service. Accordingly, Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialized form and with the Registrars & Share Transfer Agent in respect of shares held in physical form.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. Maheshwari Datamatics Private Limited/Company.
17. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 & Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from April 01, 2019 transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, now the shares cannot be transferred in the physical mode. Hence, Members holding shares in physical form are requested to dematerialize their holdings immediately. However, Members can continue to make request for transmission or transposition of securities held in physical form.
18. The Companies Act, 2013 in line with the measures undertaken by the Ministry of Corporate Affairs for promotion of Green Initiative, has introduced enabling provisions for sending notice of the meeting and other shareholder correspondences through electronic mode. Members holding shares in physical mode are requested to register their email ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs). If there is any change in the e-mail ID already registered with the Company, Members are requested to

immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

19. Members may also note that the Notice of this Annual General Meeting and the Annual Report of the Company for the year 2019-20 is also available on the website of the Company viz. www.somanyceramics.com.
20. The Financial Statements of the subsidiaries of the Company are not attached to the 52nd Annual Report of the Company. However, these documents will be made available upon receipt of request from any Member of the Company and shall be available at the Registered Office of the Company as well as its Subsidiary Companies for inspection by the Members in terms of the provisions under the Companies Act, 2013.

1. Instructions for voting through electronic means (e-voting), joining the AGM & other instructions relating thereto are as under:

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- II. The Company has engaged the services of CDSL as the Agency to provide remote e-voting facility and e-voting during the AGM
- III. The Board of Directors of the Company has appointed Shri Pradeep Pincha (Membership No. F5369) Practicing Company Secretaries, as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner.
- IV. Voting rights of the Members for voting through remote e-voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, August 11, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting and voting during the AGM.
- V. The remote e-voting facility will be available during the following period:
 - a. Commencement of remote e-voting: 9.00 A.M. (IST) on Saturday, August 15, 2020
 - b. End of remote e-voting: 5.00 P.M. (IST) on Monday, August 17, 2020

- c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- VI. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast 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 during the AGM.
- VII. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may follow the same procedure as given below for remote e-voting.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

Process and manner for Remote e-voting:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.

- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric* PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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 (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

(ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of the **Somany Ceramics Limited** on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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 scl_agm@somanyceramics.com /RTA at mdpldc@yahoo.com.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to scl_agm@somanyceramics.com /RTA at mdpldc@yahoo.com.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders/viewers/attendees to download the respective software/app of CISCO WebEx in advance and ready to connect fast for meeting.

6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to send an e-mail on scl_agm@somanyceramics.com from August 03, 2020 to August 06, 2020 (up to 5:00 p.m. IST). The same will be replied by the Company suitably. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at scl_agm@somanyceramics.com from August 03, 2020 to August 06, 2020 (upto 5:00 p.m. IST).
7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. 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.
4. 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.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be

uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required 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; ppincha@gmail.com and scl_agm@somanyceramics.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

For queries, if any or issues regarding attending AGM & e-Voting from the e-Voting System, please refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General:

- (a) In case of joint shareholders attending the AGM, only such joint holder who is higher in the order of the names will be entitled to vote.
- (b) The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company i.e. www.somanyceramics.com and on the website of CDSL i.e. www.evotingindia.com. The results shall simultaneously be communicated to BSE limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (c) Subject to the receipt of requisite number of votes, the Resolutions set out in the Notice of the 52nd AGM of the Company, shall deemed to be passed on the date of the AGM i.e. August 18, 2020.
- (d) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Section 42 of the Companies Act, 2013 (Act) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, allows a company to pass a special resolution once in a year for all the offers

or invitations for Non-Convertible Debentures/Bonds/Other Similar Instruments to be made during the year through a private placement basis in one or more tranches.

Section 71 of the Act read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of debentures. Keeping in view the above provisions of the Act, the Board of Directors at its meeting held on June 25, 2020 considered and recommend the issuance of Non-Convertible Debentures/Bonds/Other Similar Instruments on Private Placement basis for an amount of ₹50 Crore under Section 42 and 71 of the Companies Act, 2013, in one or more tranches. Accordingly, consent of the Members is sought for passing the Special Resolution as set out at item No. 4 of the Notice. This resolution is an enabling resolution and authorizes the Board of Directors (including Committee of Directors) of the Company to offer or invite subscription for non-convertible debentures/bonds/other similar instruments, as may be required by the Company, from time to time for a year from the date of passing this Resolution.

The Board accordingly recommends the Resolution set out in item No. 4 of the accompanying Notice for members' approval by way of **Special Resolution**.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

Item No. 5

The present tenure of Shri Shreekant Somany (Shri Somany) as Chairman and Managing Director of the Company expires by the efflux of time on August 31, 2020.

Shri Shreekant Somany (Shri Somany), Graduated in Science, aged about 72 years is an Industrialist and currently the Chairman and Managing Director of the Company. He is equipped with over 48 years' experience of business and Ceramic Industry. He is on the Board of Directors of Companies, namely Shree Cement Ltd., J.K. Tyre & Industries Ltd. and other group Companies.

Having regard to the long association of Shri Somany with the Company and taking into account his wide experience over 48 years and vast knowledge in Ceramic Industry, the Board of Directors at its meeting held on June 25, 2020 has re-appointed Shri Somany, as Chairman and Managing Director of the Company, not liable to retire by rotation, for a further period of 3 (three) consecutive years commencing from September 01, 2020 to August 31, 2023 to continue to avail services on his valuable experience and expertise in the best interest of the Company.

Further, in terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the fees or

compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by **special resolution** in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds ₹5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

The Board of Directors have accordingly considered the following remuneration as per the recommendations of the Nomination and Remuneration Committee, which is in accordance with Schedule V of the Companies Act, 2013, payable to Shri Shreekant Somany, as Chairman and Managing Director of the Company during his period of re-appointment with power to make such variation or increase therein as may be thought fit from time to time, in accordance with the provisions of Section 197 and 198 of the Companies Act, 2013 read-with Schedule V to the said Act, or any statutory amendment or relaxation thereof;

Sr. No.	Particulars	Shri Shreekant Somany, Chairman and Managing Director (DIN: 00021423)
1	Period of Re-appointment	3 (Three) consecutive years commencing from September 01, 2020 to August 31, 2023.
2	Remuneration	Shri Shreekant Somany (hereinafter referred to as "Shri Somany") shall, in consideration of his services, be entitled to the following remuneration by way of:
A.	Salary	25,00,000/- Per month
B.	House Rent Allowance	2,00,000/- per month The Board may consider and grant an annual increment to Shri Somany, at its discretion, as may be recommended by the Nomination and Remuneration Committee.
C.	Commission	At the rate of 3% (Three Percent) of net profits of the Company for each financial year computed in the manner laid down in Section 197 of the Companies Act, 2013.
D.	Perquisites	Shri Somany will be entitled to the following perquisites in addition to his salary, house rent allowance and commission:

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY –A

This will comprise of leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under:-

Medical Reimbursement

All medical expenses incurred for self and his family including Hospitalisation, Nursing Home and Surgical charges in India and/or Abroad or both subject to a ceiling of his one month salary in a year or 3 (Three) months' salary over a period of 3 years.

Leave Travel Concession

To Shri Somany and his family once in a year, subject to the ceiling of his one month's salary.

Club Fee

Fees of clubs subject to a maximum of two clubs for Shri Somany. This will not include admission and life membership fees.

Personal Accident Insurance

For Shri Somany, of an amount, the premium of which, does not exceed ₹10,000/- per annum.

Explanation:

1. For the purpose of CATEGORY 'A', Family means, the spouse and the dependent children of Shri Somany.
2. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

CATEGORY –B

- i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed years of service.
- iii) Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.

CATEGORY –C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to Shri Somany. Shri Somany shall also be provided with a mobile, laptop and internet connection for the purpose the Company's business, which will also not form part of perquisites.

Minimum Remuneration

The appointment of Shri Somany is subject to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) for the time being in force), read with Schedule V to the Act. The remuneration in excess of limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 may be paid by passing a Special Resolution.

Sitting Fee

Shri Somany shall not so long as he acts as Chairman & Managing Director of the Company, be paid any sitting fees for attending any meeting of the Board or Committee thereof.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving three calendar months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever to terminate the Agreement on giving to Shri Somany three months' salary as specified hereinabove under the head Remuneration, in lieu of three calendar months' notice required to be given under this clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of Shri Somany by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in the case of the Company by being delivered at or sent by registered post addressed to its Registered Office; any such notice if so posted shall be deemed served on the day following that on which it was posted.

In terms of requirements under Schedule V to the Companies Act 2013, the Company requires to seek members' approval by a special resolution for minimum remuneration payable to Shri Somany in the scale laid down in Section II of Part II of Schedule V to the Act.

Section 196(3) of the Companies Act, 2013, inter-alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole Time Director or Manager unless it is approved by the members by passing a Special Resolution. In view of above and all other applicable provisions, the Board recommends the Resolutions set out in item No. 5 of the accompanying Notice for members' approval by way of a Special Resolution.

Memorandum of Interest

None of the Directors, relatives or Key Managerial Personnel other than Shri Shreekant Somany, Shri Abhishek Somany and Smt. Anjana Somany who are relatives of each other may be deemed to be interested and/or concerned in the resolution set out under Item No. 5 of the said Notice.

Inspection of documents

The draft of the proposed Agreement to be entered into between the Company and Shri Somany shall be available for inspection.

Abstract of Terms and Conditions

This should be treated as an abstract of the terms of appointment and memorandum of interest of Shri Somany as required under Section 190 of the Act.

In terms of the Schedule V of the Companies Act, 2013 the following information is given to the shareholders:

I. General Information:

1. Nature of Industry: Manufacturing and trading of Ceramic Tiles and Allied Products
2. Date of commencement of Commercial production: 1972
3. Financial Performance:

Year ended March 31	Sales	Operating Profit	Profit Before Tax	Profit After Tax
2016	1,79,007	11,857	9,088	6,106
2017	1,87,416	16,089	13,583	8,770
2018	1,66,957	13,117	10,112	6,510
2019	1,68,513	11,469	7,185	4,630
2020	1,58,245	7,450	117	1,326

(₹ in Lakhs)

4. Export Performance: FOB Value of Export for the year 2019-20 was ₹7160.49 Lakhs.

5. Foreign investors or Collaborators: 309 NRI's are holding 12,34,857 shares representing 2.91% in the share capital of the Company as on March 31, 2020.

Information about the appointee:

Name of the appointee	Shri Shreekant Somany	
Background details	He is an Industrialist and currently the Chairman and Managing Director of the Company. He is a graduate and holds B.Sc. degree and has over 48 years of experience in business of Ceramic Tiles, Sanitary ware & Glassware.	
Past Remuneration (including contribution to Provident Fund)	(₹ in Lakhs)	
	2015-16	409.07
	2016-17	648.87
	2017-18	487.11
	2018-19	342.08
	2019-20	299.60
	The Remuneration received includes commission also.	
Recognition and Awards	Shri Somany take interest in the social and cultural activities	
Job profile and his suitability	Shri Shreekant Somany is Chairman and Managing Director of the Company. Devoted his whole time and attention to the business and management of affairs of the Company and carries out such duties as entrusted to him by the Board and exercises such powers as assigned to him from time to time by the Board subject to superintendence control and direction of the Board in connection with and in the best interest of the Company including the business of its associates and/or its subsidiaries. He is one of the Promoter of the Company. His job profile centers around to provide vision, guidance and direction for long term growth of the Company.	
Remuneration proposed	Salary ₹25,00,000 /- and HRA ₹2,00,000/- per month respectively and other perquisites, Commission at the rate of 3% of net profits of the Company for each financial year computed in the manner laid down in Section 197 of the Companies Act, 2013.	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration proposed to Shri Shreekant Somany is in consonance with his respective similar position in the Industry.	
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Except Salary and Perquisites to be received from the Company by Shri Somany including his relatives and to receive dividend declared by the Company, if any, including amounts disclosed in the Annual Report under the related party transactions, Shri Shreekant Somany do not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel of the Company.	

II. Other information;

1.	Reasons of loss or inadequate profits	There is profit, but as an abundant caution for payment of minimum remuneration to the Chairman and Managing Director of the Company, in case of no profit or inadequate profits in any particular year the information is provided to the Shareholders.
2.	Steps taken or proposed to be taken for improvement	All around reduction in cost and better product mix to achieve higher realizations is a continuous process being followed by the Company.
3.	Expected increase in productivity and profits in measurable terms	Initiatives involving product development, introduction of value added products and such other steps are being taken to improve the overall productivity and to achieve profitability of the Company.

Annexure-A

Disclosure relating to Directors pursuant to Regulation 26(4), 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings;

Name of the Director	Shri Ghanshyam Girdharbhai Trivedi	Shri Shreekant Somany
Age	74 years	72 years
Qualification	ICMA, M.Sc., L.LB	B.Sc.
Experience	About 49 years	About 48 years
Terms and Conditions	Not Applicable	As mentioned in the explanatory statement
Remuneration sought to be paid	Commission as approved by the shareholders and considered by the Board.	₹25,00,000 P.M.
Remuneration last drawn	Commission ₹5.00 Lakh for the year 2018-19	₹19,50, 000 P.M.
Date of first appointment on the Board	01/09/2017	01/09/1992
Shareholding in the Company	2000 Shares	-
Relationship with other Director, Manager and other KMP	None	Spouse of Smt. Anjana Somany and Father of Shri Abhishek Somany
Number of Board Meetings attended during the year	5	9
Other Directorship Details	<ul style="list-style-type: none"> • Somany Bathware Limited (formerly known as Somany Global Limited) • Trans India Ceramics Private Limited • Yogi Cerachem Private Limited • Vidres India Ceramics Private Limited 	<ul style="list-style-type: none"> • SR Continental Limited • Shree Cement Limited • Somany Bathware Limited (formerly known as Somany Global Limited) • JK Tyre & Industries Limited.
Membership/ Chairmanship of Committees of other Boards	-	<ul style="list-style-type: none"> • Shree Cement Limited – Member of Remuneration cum Nomination Committee and Audit and Risk Management Committee • JK Tyre & Industries Limited – Member of Audit Committee and Stakeholders Relationship Committee

Corporate Information

BOARD OF DIRECTORS

Mr. Shreekant Somany
Mr. Abhishek Somany
Mrs. Anjana Somany
Mr. Salil Singhal
Mr. Ravinder Nath
Mr. Ghanshyam Girdharbhai Trivedi
Mr. Rameshwar Singh Thakur
Mrs. Rumjhum Chatterjee
Mr. Vineet Agarwal
Mr. Siddharath Bindra

CHIEF FINANCIAL OFFICER

Mr. Saikat Mukhopadhyay

GM (LEGAL) & COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank
Kotak Mahindra Bank
HDFC Bank
ICICI Bank

AUDITORS

Singhi & Co.
Chartered Accountants

REGISTERED OFFICE

2, Red Cross Place,
Kolkata- 700001

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301
Phone: 0120-4627900
CIN: L40200WB1968PLC224116

WEBSITE

www.somanyceramics.com

PLANTS

Haryana

Kassar Works
P.O- Kassar-124507, Bahadurgarh
Distt. Jhajjar, Haryana

Gujarat

Kadi Works
14, G.I.D.C, Industrial Estate,
Kadi - 382715
Distt. Mehsana, Gujarat

SUBSIDIARY COMPANIES

SR Continental Ltd.
Somany Bathware Ltd.
Amora Tiles Pvt. Ltd.
Somany Sanitary Ware Pvt. Ltd.
Somany Fine Vitrified Pvt. Ltd.
Somany Excel Vitrified Pvt. Ltd.
Sudha Somany Ceramics Pvt. Ltd.
Amora Ceramics Pvt. Ltd.
Somany Bath Fittings Pvt. Ltd.

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.
Acer Granito Pvt. Ltd.
Vicon Ceramic Pvt. Ltd.



Corporate Office

F-36, Sector 6, Noida (U.P.) - 201301

Phone: 0120-4627900

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