

3rd August, 2023

The General Manager,
Corporate Relationship Dept., BSE Ltd.
1st Floor, New Trading Ring, Rotunda
Building, P. J. Towers, Dalal Street, Fort,
Mumbai-400 001
Scrip Code: 531548

The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Symbol: SOMANYCERA

Sub: Submission of Annual Report and Notice of 55th Annual General Meeting of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is further to our Letter dated 25th July, 2023, wherein, the Company had informed that the 55th Annual General Meeting (“AGM”) of the Company is scheduled to be held on Friday, the 25th August, 2023 at 11:30 A.M. (IST) through Video Conferencing or Other Audio Visual Means.

In terms of the requirement of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the Financial Year 2022-23.

The Company has sent the same today through electronic mode to the Members who have registered their E-Mail IDs with the Company's R&TA/ Depository Participant. The Notice of AGM along with the Annual Report for the Financial Year 2022-23 is also available on the website of the Company viz. www.somanyceramics.com. Further, the Notice of AGM is also available on the website of Central Depository Services (India) Limited at www.evotinnindia.com.

Kindly take the same on record.

Thanking you,
Yours faithfully,
For Somany Ceramics Limited

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

Encl: as above





Ambitious & Resilient

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INVESTOR INFORMATION

Market Capitalization as at
31 March, 2023
₹ **20.63 Billion**

CIN:
L40200WB1968PLC224116

BSE Code:
531548

NSE Symbol:
SOMANYCERA

Bloomberg Code:
SOMC:IN

Dividend Declared:
₹ **3 per share**

AGM Date:
25 August, 2023

AGM Venue:
**Video Conferencing ('VC') / Other
Audio Visual Means ('OAVM')**



REPORTING APPROACH

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

SCOPE AND BOUNDARY

This report uses a holistic approach and furnishes information for the year ended 31 March, 2023. It adequately captures information on all business activities that the Company undertakes for creating value in the short, medium and long term. The environmental and social disclosures in this report have been made on a standalone basis and are limited to the operational boundary of Somany Ceramics Limited.

FRAMEWORKS

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

LEADERSHIP ACCOUNTABILITY

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

For more investor-related information, please visit:
<https://www.somanyceramics.com/investor-relation>



Or simply scan to view the online version of the report

Ambitious & Resilient



Ambition

A force that fuels the desire, determination, and drive to surpass expectations and shape a future that defies limits.



Resilience

The ability to rise above challenges, convert adversities into opportunities, and forge an unyielding path to success.





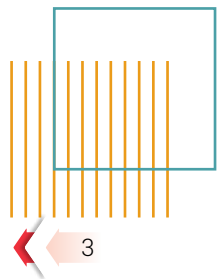
Ambitious & Resilient

Together, these two qualities create a formidable combination, motivating and directing us towards our goals while empowering us to overcome and withstand any obstacle that comes our way.

Over the past five decades, and as we look ahead, our journey has been marked by relentless determination, commitment, and the ability to navigate our path with confidence. It has enabled us forge an exceptional legacy as the second-largest manufacturer in Indian tile industry. This has not only carved a lasting legacy for us but has also positioned us strategically for a future brimming with remarkable opportunities.

As we step into the next chapter of our growth, our goals serve as the driving force that propels us forward, pushing us to fulfil our deepest aspirations of rising with the rising India.

Together, these factors converge to compose our extraordinary narrative — one that epitomizes ambition and resilience.





Empowered by Ambition. Embodied by Resilience.

Welcome to the House of Somany
Ceramics Limited

Somany Ceramics Limited ('Somany' or 'Somany Ceramics' or 'The Company') was incorporated in 1968. Since then, the Company has emerged as a prominent name in the Indian tiles industry. Thereby becoming the second-largest tile manufacturer in Indian industry by consistently seizing good opportunities in tiles, sanitaryware and bath fitting solutions.

Transforming spaces, one tile at a time!

Somany Ceramics is driven by its astute business practices and a strong growth-oriented approach. This approach has enabled the Company to progress at a firm pace while building capacity to cater to the rising demand of the rising India.

Somany's diverse products – comprising ceramic wall and floor tiles, polished vitrified tiles, glazed vitrified tiles, sanitaryware, bath fittings and adhesives – are known for the opulence they bring, best-in-class quality, a large capacity, a robust balance sheet, and a significant market presence.

SETTING THE PACE

Second-largest manufacturer of tiles in the country

The Company proudly associates itself with renowned actor Salman Khan, who serves as its brand ambassador and notable product brands offered by the Company are Somany Duragress, Somany Durastone, Somany Glosstra, Somany Vistoso, Somany Vitro, Somany Slipshield, Somany VC Shield, Somany Signature and Somany French Collection among others.

GO-TO DESTINATION

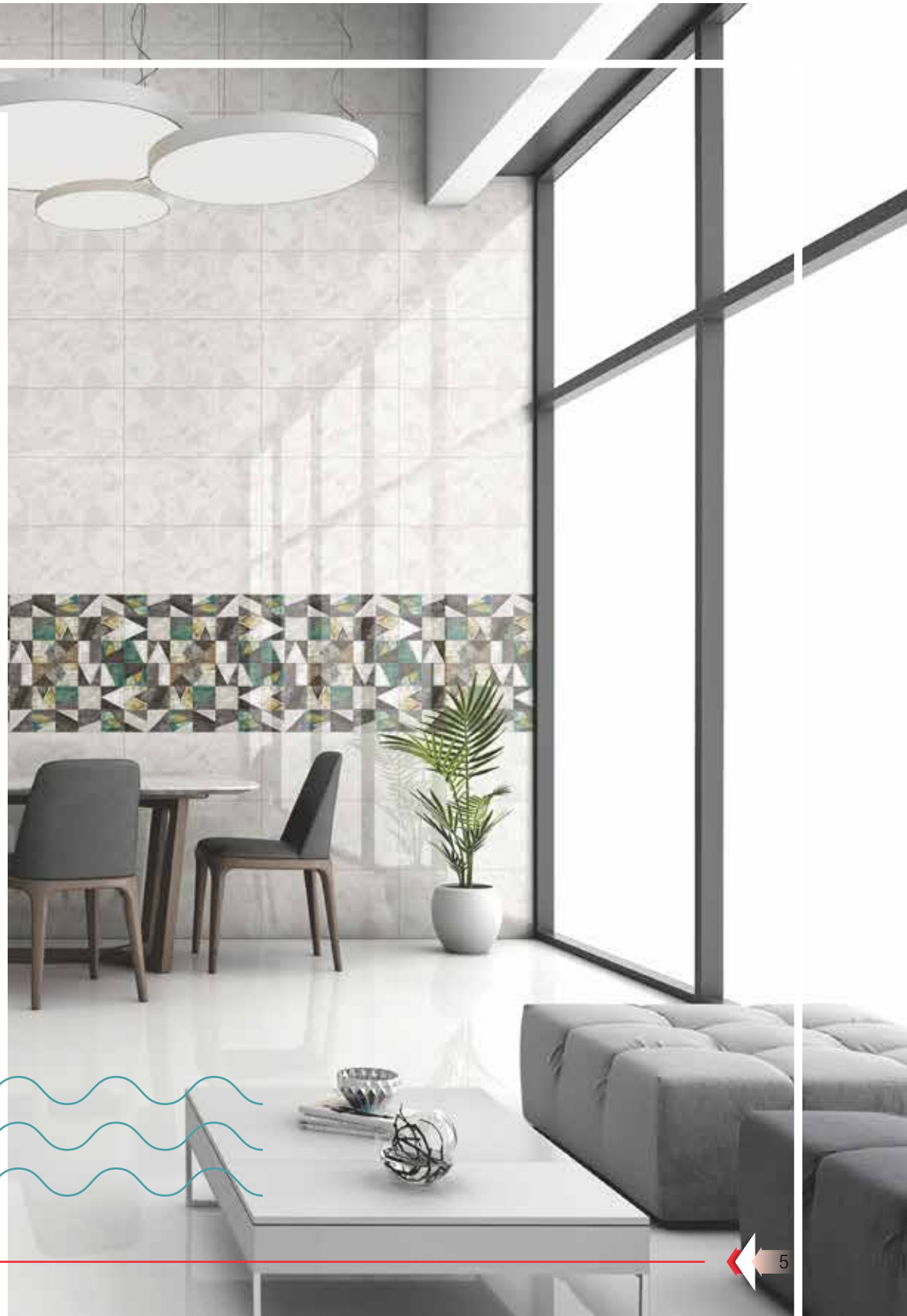
Offers **a wide range** of sanitaryware and bath fitting **solutions** to **a wide customer base**.

SCALING NEW HEIGHTS

Largest-ever capacity expansion of ~20 % in its existence of **over five decades** recorded in 2022-23.

CONNECTING EVERY CORNER

Ensures **a deeper connect with customers** across the length and breadth of the country through **a robust network of dealers and exclusive showrooms**.



The second-largest manufacturer in Indian Tile Industry

2ND



LARGEST IN
INDIAN TILE
INDUSTRY

11



STATE-OF-THE-ART
MANUFACTURING
FACILITIES

3000+



NETWORK OF
DEALERS

450



SHOWROOMS
IN INDIA

3500+



EMPLOYEE
STRENGTH

~11 MSM



RECENT CAPACITY
EXPANSION

₹ 15,944
LAKHS



CAPEX FOR THE
YEAR 2022-23

78,697
LAKHS



NET WORTH AS ON
31 MARCH, 2023



Vision

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



Mission

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

Manufacturing Plants

The Company operates 11 state-of-the-art manufacturing units located throughout India. With these facilities, Somany has combined tile production capacity of 62 million square meters, manufacturing 0.78 million pieces of sanitaryware and 1.30 million pieces of bath fittings annually.



	COMPANY	STAKE	UNIT	ANNUAL CAPACITY	
TILES		100%	Kassar, Haryana	23.32	
		100%	Kadi, Gujarat	6.65	
	Subsidiaries/ Associates		100%	Somany Piastrelle Private Limited	3.48
			60%	Sudha Somany Ceramics Private Limited	7.08
			51%	Amora Tiles Private Limited	6.30
			51%	Somany Fine Vitrified Private Limited	4.29
			50%	Vintage Tiles Private Limited	4.80
			26%	Acer Granito Private Limited	3.30
			26%	Vicon Ceramics Private Limited	2.64
BATHWARE	Subsidiaries	100%	Somany Bath Fittings Private Limited	1.30 million pcs	
		51%	Somany Sanitary Ware Private Limited	0.78 million pcs	

Propelled by *Ambition.* Succeeded with *Resilience.*

1968

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



1971

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



1981

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



1994

Acquisition of the Pilkington shareholding by the Indian promoters



1996

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



1998

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



2000

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



2001

Established a new state-of-the-art floor tiles manufacturing plant at Kadi, equipped with advanced technology and a production capacity of 6,000 square meters per day, enhancing the Company's capabilities to meet the growing demand for high-quality floor tiles



2007

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

2009

Obtained a patent for VC Shield, India's highest abrasion-resistant tile, a first in the industry.

Initiated the 'Tile Master' program to improve mason's income.

2010

Established its first Glazed Vitrified Tiles manufacturing facility and expanded the Bathware vertical.

2011

Rebranded with a new logo and earned the esteemed 'Power Brand' recognition.

2012

Received the Indian Power Brands Award for the second consecutive year.

2014

Acquired a subsidiary and initiated the manufacturing of Sanitaryware.

Received the Corporate Technical Achievement Award from the American Ceramic Society (ACerS) for VC Shield product.

2017

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

2018

Acquired a subsidiary and started manufacturing bath fittings.

2019

Inaugurated first manufacturing facility in South India.

Appointed Salman Khan as the Brand Ambassador.

2020

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

2021

Completed 50 years of existence since setting up its first manufacturing plant.

2022

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

Crafted with Perfection. Offered with Passion.

Tiles that match your lifestyle!



CERAMIC TILES

34% REVENUE AS
A % OF TOTAL
SALES IN
(2022-23)

~30 MSM PER
ANNUM
CAPACITY

3 MANUFACTURING
FACILITIES

POLISHED VITRIFIED TILES

26% REVENUE AS
A % OF TOTAL
SALES IN
(2022-23)

~15 MSM PER
ANNUM
CAPACITY

4 MANUFACTURING
FACILITIES

Tiles that make a statement...



GLAZED VITRIFIED TILES

29%

REVENUE AS
A % OF TOTAL
SALES IN
(2022-23)

~17

MSM PER
ANNUM
CAPACITY

3

MANUFACTURING
FACILITIES



SANITARYWARE

6%

REVENUE AS
A % OF TOTAL
SALES IN
(2022-23)

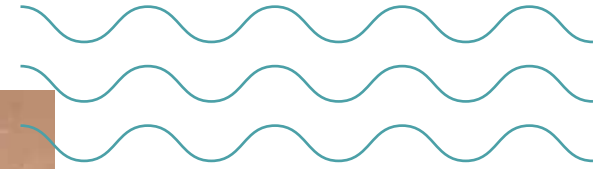
0.78

MN PCS PER
ANNUM
CAPACITY

1

MANUFACTURING
FACILITIES





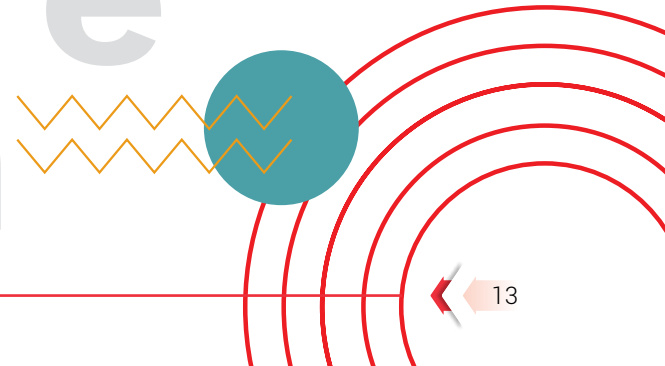
BATH FITTINGS

4% REVENUE AS A % OF TOTAL SALES IN (2022-23)

1.30 MN PCS PER ANNUM CAPACITY

1 MANUFACTURING FACILITIES

Solutions that inspire perfection



Chairman's Communique



Dear Shareholders,

As I present the Integrated Annual Report of 2022-23, I extend my heartfelt gratitude to all the valued stakeholders for their undeterred support. I am also immensely thankful to the employees, who have relentlessly worked hard and been instrumental in driving the Company's growth.

Throughout the journey, the Company's business has grown hand-in-hand with India's remarkable progress. Thus, reflecting our deep connection to the nation's development. The Company strongly believes future growth is intricately linked to India's ascent as a global economic powerhouse.



Somany Ceramics is proud to announce that it has successfully commissioned the largest-ever expansion in its history, amounting to an impressive 11 million square meters.



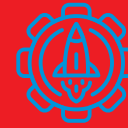
With India's ascension to the position of the fifth-largest economy globally, the Company is aware of the vast potential and opportunities that lie ahead. The Company takes immense pride in its dedication to serving the broader Indian market, addressing its fellow countrymen's diverse needs and aspirations. India's position as the seventh-largest consumer economy is a testament to the nation's immense appetite for growth and development. India's current per capita income of USD 2,601 expected to reach USD 5,160 by 2030, demonstrates a promising path towards greater prosperity and increased purchasing power among the country's population. Furthermore, the Government's firm commitment to bolster infrastructure development will catalyze the nation's economic growth in the coming years. This increased infrastructural push will unlock new avenues for progress and provide a solid foundation for sustained development across various sectors.

The year 2022-23 was an exception for the ceramic tiles industry due to economic uncertainties, It was led by rising inputs costs, which had a widespread impact on the industry, leading to margins being impacted across. The industry encountered this challenge when it was experiencing relief from the pent-up demand built up during the Covid-19 pandemic. Additionally, exports were deeply

impacted due to the rise in freight costs and the economic challenges faced by the developed nations, resulting in low prices in the domestic market for Morbi players. With high-cost pressures and relatively unchanged prices, Somany Ceramics' margins were impacted for the year despite an increase of 10.4% in its sales volume for the year 2022-23 as compared to the previous year.

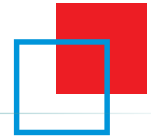
Despite the unprecedented challenges, Somany Ceramics stood its ground amid economic uncertainties and operational obstacles arising from geopolitical tensions in Europe. These hurdles coincided with the ongoing recovery from the Covid-19 pandemic, adding further complexity to the business landscape. While developed nations grappled with rising inflation and subsequent interest rate hikes, we, in India, managed to navigate through similar challenges with relative strength.

In the face of the challenges encountered, Somany Ceramics has demonstrated remarkable resilience and remained strong on its path of expansion. The Company's remarkable pace, growth potential, and effective policies shielded it from being deeply impacted. Its determination and ambition allowed it to effectively cater to an even larger customer base across the country. Somany Ceramics is proud to announce that it has successfully commissioned the largest-



In our relentless pursuit of growth, we are actively progressing towards the commissioning of an additional expansion of 4 million square meters of value added large format tiles/slabs.





With increased capital allocation over the years, the Company remains resolute in its pursuit to create maximum value for shareholders.



ever expansion in the organisation, amounting to an impressive 11 million square meters. This accomplishment serves as a testament to its unyielding determination to maximize returns for its valued stakeholders.

In our relentless pursuit of growth, we are actively progressing towards the commissioning of an additional expansion of 4 million square meters of value added large format tiles/slabs. This forward-thinking endeavor will significantly bolster its ambition and enhance its standing in the industry.

With increased capital allocation over the years, the Company remains firm in its pursuit to create maximum value for shareholders.

Somany Ceramics' strategies revolve around three key aspects: capacity building, geographical expansion, and technological upgradation. The Company is focused on enhancing its production capabilities, strengthening its supply chain, and meeting the evolving demands of its customers. By establishing a strong presence in Tier-2 & Tier-3 and below cities across India, it aims to tap into new markets and serve a wider customer base. Additionally, the Company's commitment to technological upgradation ensures that it stays ahead of the competition, delivers innovative solutions, and meets the expectations of the modern Indian consumer.

Aligned with Somany Ceramics' vision for the next phase of growth, it is excited to welcome the new generation of our family into the business. This infusion of fresh perspectives and energy brings a renewed sense of passion and drive to propel the Company forward.

The inclusion of the new generation also signifies Somany Ceramics' commitment to continuity and long-term sustainability.

By combining the wisdom and experience of the previous generation with the new generation's innovative ideas and enthusiasm, the Company strives to create a powerful synergy that drives its business to new heights.



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

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

Closing Note

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

With my best wishes,

Shreekant Somany,
Chairman

Message from the MD's Desk

Dear Shareholders,

Globally, 2022-23 presented significant challenges that affected economies and businesses worldwide. However, Somany Ceramics' driving forces were 'Ambition and Resilience,' propelling it forward amidst the demanding global landscape. Despite a myriad of obstacles, the Company persevered in its pursuit of success and displayed remarkable strength throughout the year.

The industry faced substantial challenges in the business environment. Soaring gas prices led to increased input costs, while a challenging macroeconomic climate resulted in subdued demand and impacted industry volumes. Additionally, the industry was impacted by the truckers' strike in Morbi for a fortnight in the second quarter of the year 2022-23.

Amidst this volatility and challenging environment, the Company is immensely proud of how it has continued to build on its legacy of being a leading player in the industry. It showed immense resilience in its journey to realize its ambitions



The Company commissioned its largest-ever capacity expansion. Somany Ceramics' ambition to serve the growing Indian market through its vast geographic coverage remains integral to its operations moving forward.

of growth and expansion. Somany Ceramics commissioned its largest-ever capacity expansion. The Company's ambition to serve the growing Indian market through its vast geographic coverage will remain integral to its operations. The very purpose that guided my grand father, Shri Hira Lall Somany, in establishing the Company in 1968 continues to be its driving force even today.

With a vision to cater to the evolving needs of a thriving India and a belief in the growing preference for designer tiles over traditional flooring materials, Somany Ceramics embarked on a remarkable journey. Over the course of five decades, the Company has transformed its vision into a resounding

success, establishing itself as one of the leading companies in the industry. Throughout the journey, it has faced numerous challenges and encountered various obstacles. Nevertheless, with perseverance and an indomitable spirit, Somany Ceramics has consistently triumphed over these hurdles, remaining strong in the pursuit of its ambitions.

The challenging business environment significantly influenced the Company's financial performance during the fiscal year 2022-23. Despite these circumstances, it achieved a notable revenue growth of 18.3%, reaching ₹ 2,46,464 Lakhs compared to the previous year. The Company's EBITDA reduced to ₹ 18,871 Lakhs compared





Amidst this volatility and challenging environment, Somany Ceramics is immensely proud of how it has continued to build on its legacy of being a leading player in the industry. The Company showed immense resilience in its journey to realize its ambitions for growth and expansion.

to ₹ 20,653 Lakhs due to the rise in input costs. Accordingly, Somany Ceramics' PAT margins for the year 2022-23 declined to 2.9%, and its net profit decreased to ₹ 7,149 Lakhs from the previous year's ₹ 8,869 Lakhs.

Factors such as escalating fuel costs and the prevailing macroeconomic conditions were responsible for the impact on the Company's financial performance. Nevertheless, it successfully navigated these challenges through its expansive distribution network, robust advertising activities, and strong brand recall and moved closer to its ambitious goals.

To counter the rise in gas prices, during the year 2022-23, Somany

Ceramics successfully built the strength to smoothly switch between LPG and LNG for its manufacturing facilities. The fungibility strength has allowed the Company to effectively navigate rising gas prices and switch to cheaper fuel options.

The truckers' strike in Morbi, affected industry volumes across the country for a fortnight in the second quarter of 2022-23. Even the Company was impacted, but its widespread manufacturing presence across India in the South and North minimized the negative impact of the strike. With its increased manufacturing might, it has reduced its dependency on the Morbi industry, thereby reducing

Somany Ceramics' dependency on one location.

As the Company continues to expand its presence across various media platforms, it has successfully extended its association with its brand ambassador, Salman Khan. This strategic move will contribute to enhancing the Company's brand image and recall. The Company's primary focus has been on enhancing the aspirational quality of its creatives, leading to a noticeable improvement in overall engagement. In conjunction with its CRM team, it has successfully implemented a real-time CRM process that ensures prompt delivery and nurturing of leads. Moreover, Somany Ceramics has executed Hero Hub campaigns, including geotargeted TVC ads, which have resulted in impressive metrics: a reach of 10.5 million, 60 million impressions, 4.60 Lakh clicks, and approximately 26 million video views. Additionally, the Company has conducted multiple hub campaigns highlighting its Temp Shield tiles, Slipshield tiles, and VC Shield tiles. The Company's social campaigns, designed to evoke general interest and engagement, have received positive feedback from its audience. For instance, its 'Ek Aur Diya Campaign' promoting the use of earthen diyas, garnered significant appreciation.

To enhance the customer experience,

Somany Ceramics has introduced QR codes that provide a 360-degree view of its tiles. This feature enables customers to make more informed decisions when selecting their preferred tiles. To further solidify the Company's position as a market leader, it has adopted an advertising strategy aimed at expanding its market reach into new territories and targeting customers in Tier-3 & Tier-4 and below markets. Leveraging traditional media channels with a broader reach and penetration allows the Company to maximize its advertising ROI. Additionally, to enhance its brand image and create a lasting impact, it has continued its airport OOH (Out of Home) advertising campaign across the five major airports in India.

As Somany Ceramics forges ahead, it has placed significant emphasis on technological advancement as a fundamental pillar of its progress. Through the modernization of machinery at the Company's Kassar plant, it has not only boosted its production capabilities but also achieved a two-fold increase in its per-day production capacity of one line while minimizing wastage.

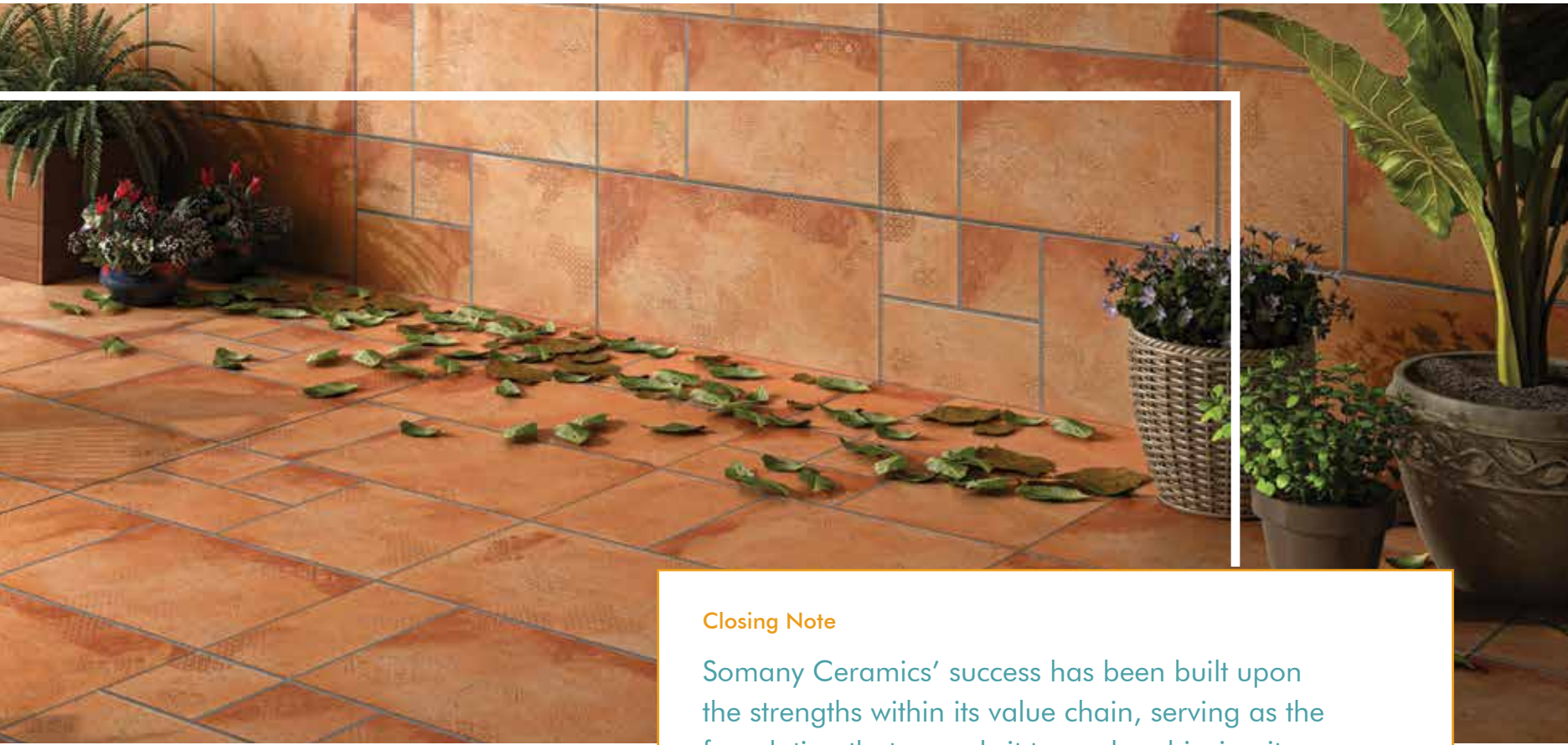
Furthermore, the Company's recent acquisition of cutting-edge printers enables it to deliver state-of-the-art 3D designed tiles in various sizes and in different designs and textures, ranging



from wooden to rock, etc., with a variety of colors expanding the applicability of its products.

These investments empower Somany Ceramics to remain at the forefront of industry trends, offering a diverse range of visually captivating and high-quality tiles and sanitaryware solutions. With these advancements, the Company is poised to capitalize on sustainable growth opportunities and continue its journey as a prominent player in the ceramic industry.

With the Company's expanded capacity of 11msm and additional expansion of 4msm in the pipeline, it has established a solid foundation for future growth as it moves forward. The full utilization of the Company's expanded capacity



will provide it with the essential strength to cater to a wider geographic market. Somany Ceramics' strong rapport with its continuously expanding distribution network of dealers will drive its growth across India, particularly in Tier-2 & Tier-3 and below cities.

Somany Ceramics' outlook for the industry remains optimistic as it witnesses the normalization of its input costs and strengthens its operational capabilities. The Company firmly believes that the growth of India will act as a catalyst for its advancement, and it is confident in its ability to rise alongside the nation.

Closing Note

Somany Ceramics' success has been built upon the strengths within its value chain, serving as the foundation that propels it towards achieving its goals. The Company expresses its sincere gratitude to its investors for their constant support and to its employees, who have played a crucial role in navigating these challenging and uncertain times. Somany Ceramics extends its heartfelt appreciation to its esteemed partners and vendors. The Company would like to express its gratitude to each and every one of you for being an integral part of its journey.

My best wishes,

Abhishek Somany,
Managing Director & CEO

Strengths that Create



Strong Brand Presence

Somany's illustrious legacy, unwavering trustworthiness, and firm commitment to quality have earned it a robust reputation in the market. As a recognized leader in the industry, the Company proudly showcases an expansive distribution network that guarantees the accessibility and widespread availability of its products throughout India. Moreover, the Company takes pride in its wide gamut of offerings, which are shaped by patented innovations. Somany's product lineup is strategically positioned to attract and cater a broad customer base with its 'More Value for Money' pricing strategy.

Low Debt

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



Expansive Capacity

The Company demonstrated its commitment to growth by commissioning its largest-ever expansion of 11 msm in the year 2022-23. To further bolster its existing capacity, Somany is currently undertaking an additional expansion project of 4 msm. Moreover, the Company diligently pursues process efficiencies to reduce waste and maximize output across its manufacturing facilities.

Extensive Geographical Footprint

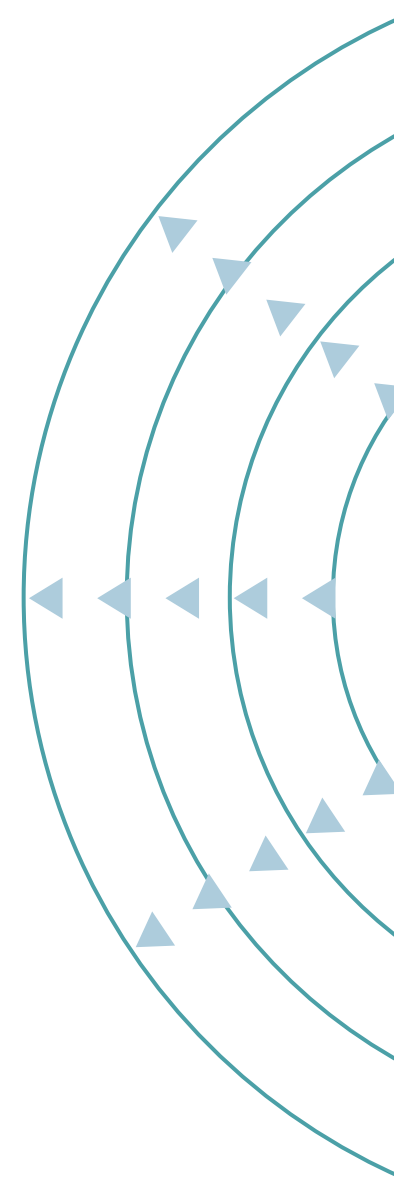
The Company boasts a robust dealer network, comprising more than 3,000 dealers, complemented by an extensive network of over 450 showrooms spanning India. To enhance operational efficiency and mitigate manufacturing risks, the Company has strategically established manufacturing facilities in key states such as Gujarat, Punjab, Haryana, and Andhra Pradesh. This geographical diversification enables the Company to minimize its exposure to risks associated with manufacturing and bolster its capacity to cater to a broader market across India.

State-of-the-art Printers

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

Decades of Invaluable Experience

Drawing upon its impressive lineage of over five decades in the ceramic tiles industry spanning three generations, the Company benefits from the inspiring expertise and wisdom of its leaders. These seasoned individuals possess extensive knowledge of the industry, prudently guiding the Company towards success. Furthermore, the recent inclusion of the fourth generation into the leadership ranks ensures a strong foundation for the Company's future growth. This amalgamation of vast industry experience and fresh perspectives enables Somany Ceramics to successfully adapt to evolving market dynamics.





Sustained by Somany's Opportunity Landscape

Government's Push

In 2022-23, India accomplished a significant milestone by becoming the fifth-largest global economy, reaffirming its impressive growth trajectory. Somany Ceramics acknowledges this achievement as evidence of the country's potential for further expansion. The Indian Government's commitment to infrastructure development is clearly demonstrated by the 37.4% increase in the capital expenditure outlay for the economy in the 2023-24 budget. This allocation will enable the economy to position itself for future growth. The Company firmly believes that the Government's unwavering dedication to infrastructure enhancement and affordable housing initiatives, such as Pradhan Mantri Awas Yojana, will continue to foster a conducive business environment, unlocking numerous growth opportunities for the Company.

Rising Indian Real Estate

Driven by the Government's focus on developing smart cities and enhancing infrastructure, the Indian real estate sector is currently experiencing a substantial upswing. With a projected compound annual growth rate (CAGR) of 13% for home loans from 2022-23 to 2025-26, Somany finds itself in an excellent position to capitalize on this favorable trend. By leveraging its strategic positioning and taking advantage of the industry's expansion through the increasing demand for home loans, the Company is poised for continued growth and success.

Rising Incomes

India's per capita GDP stood at USD 2,278 in 2022 and is projected to reach USD 5,242 by 2031. This steady growth in income levels across the nation is expected to fuel the demand for housing and increase home pride significantly. As a result, Somany is well-positioned to capitalize on this growing demand and benefit from the expansion of the industry. The projected increase in purchasing power and the evolving aspirations of the population present significant opportunities for the Company to further enhance its market presence and drive its growth trajectory.

Increasing NRI Investments

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

China +1 Opportunity

The Indian tile sector has experienced a significant increase in demand as countries seek alternative markets for tile procurement, and Somany Ceramics is primed to capitalize on this opportunity. With its expanded capacity and extensive experience, the Company is well-positioned to meet the growing demand. Furthermore, after a period of volatility, the normalization of gas prices and stabilization of freight rates are aiding the Company in bringing its input costs back to normal levels. This positive development will further enhance the Company's ability to leverage global opportunities and strengthen its competitive advantage.

Hospitality Sector Growth

Somany Ceramics stands to benefit from the favorable growth of the hotel industry in India. With the sector projected to generate ₹ 1,210.87 billion by the end of CY 2023, expanding at a CAGR of ~13% from 2018 to 2023, several factors, such as increased tourism, business travel, and rising disposable incomes, contribute to this growth. Somany will leverage its strong brand reputation, extensive distribution network, and investments in product development and marketing initiatives to seize new sales prospects and enhance brand awareness.

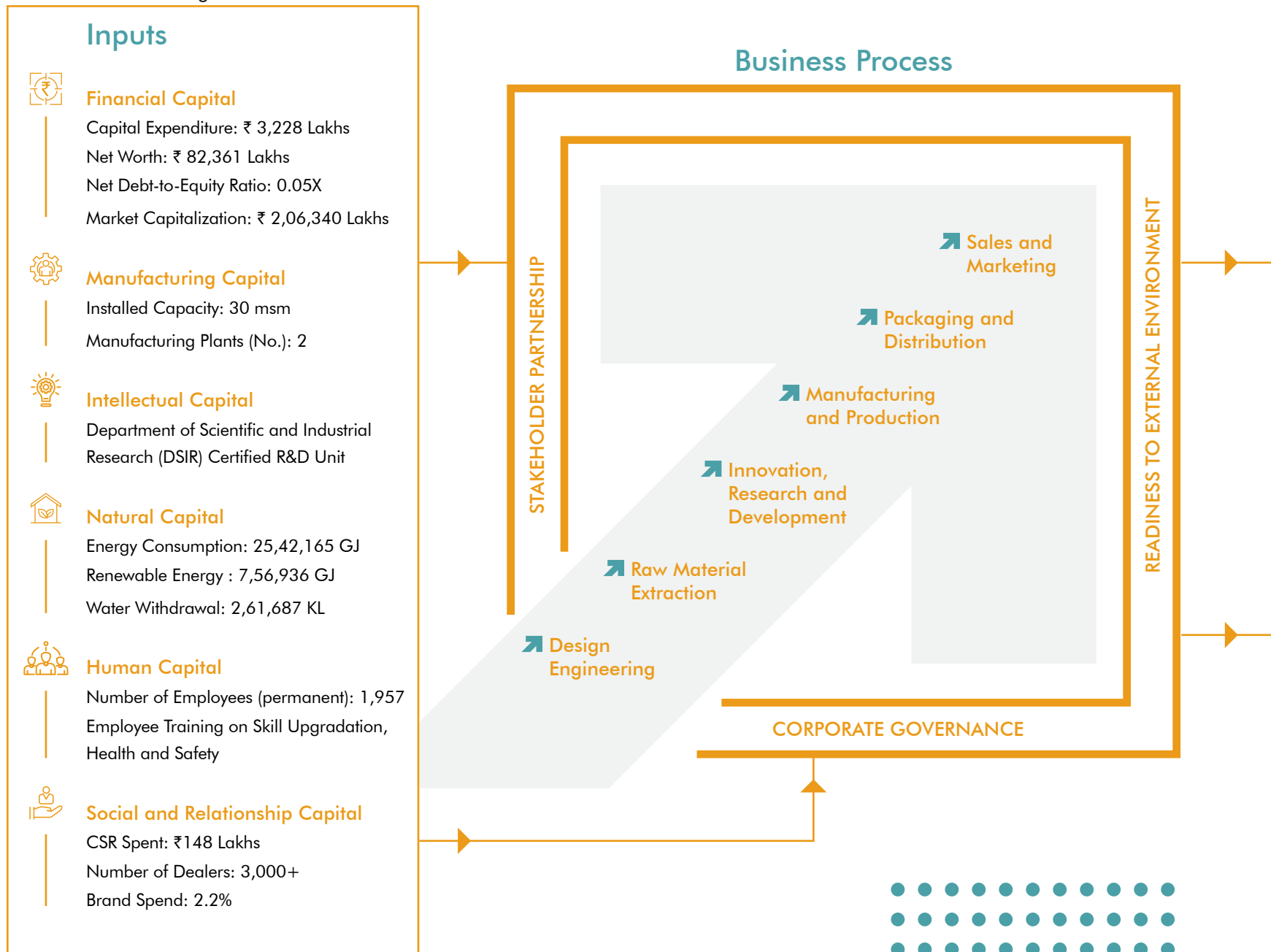
Office Space

In 2022, the market for office leasing witnessed a record-breaking total leasing of 50.3 million sq ft, representing the highest leasing rate ever recorded. With a continuously growing demand for office spaces in India, Somany's strong brand reputation and extensive distribution network, position the Company to capitalize on this growth in office spaces.



Value Creation Model

Based on standalone figures



Outputs



Financial Capital

Sales: ₹ 2,42,646 Lakhs
EBITDA: ₹ 14,664 Lakhs
ROCE: 13.6%



Manufacturing Capital

Capacity Utilization: 92.4%



Intellectual Capital

Patent for VC Shield
Trademarks (No.): 133
IGBC Certification



Natural Capital

Total GHG Emissions (tCO_{2e}): 1,44,073
Zero Liquid Discharge Plants



Human Capital

Turnover: 11.2%
LTIFR: 0.92



Social and Relationship Capital

Patients treated in Tirupati: 1,480
Patients treated in Morbi: 7,692

Outcomes



Financial Capital

- Market penetration to bolster sales
- Optimized and systematic cost management



Manufacturing Capital

- Resource-efficient production processes
- Capacity expansion to fulfill growing market demand



Intellectual Capital

- Innovation for sustainable product development



Natural Capital

- Reduction in operational emissions due to the adoption of renewable energy and greener fuels



Human Capital

- A diverse, skilled workforce
- Inclusive and safe workplace



Social and Relationship Capital

- Community development through initiatives, such as health care services, education, skill development, and infrastructure support
- Sustainable supply chain
- Economic transformation and livelihood opportunity creation through skill enhancement and vocational training

Strengthened by Experience. Excelled through Expertize.

Governance Overview

The Company's commitment to ethical and transparent governance practices is deeply ingrained in the esteemed tradition of the Somany Group. Drawing from this rich heritage, its corporate governance philosophy is firmly grounded in professionalism and integrity, consistently upholding the highest standards. Guided by a Board of Directors with extensive industry experience spanning multiple decades, the Company operates with independence and impartiality, placing the best interests of the Company and its stakeholders at the forefront. The strategic guidance provided by the Board, coupled with their wealth of knowledge, has been instrumental in navigating the Company through the challenges posed by the dynamic external landscape. This steadfast commitment to governance excellence enables the Company to foster trust, ensure accountability, and deliver sustainable value to its regulators, employees, customers, vendors, investors, and society at large.

- The rich heritage of the Somany Group is deeply intertwined with a legacy of upholding fair, transparent, and ethical governance practices within the Company.
- The Somany Group places great emphasis on the importance of robust corporate governance as a fundamental driver for achieving long-term corporate objectives and enhancing stakeholder value.

- At the core of the Somany Group's philosophy lies a commitment to ensuring fairness, transparency, and integrity in management, aiming to safeguard all stakeholders' interests.

Code of Conduct

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

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



Board Functions



DEFINING THE COMPANY'S GUIDING PRINCIPLES AND GOALS



CREATING PLANS FOR THE COMPANY'S FUTURE GROWTH AND SUCCESS



ESTABLISHING EXPECTATIONS FOR ETHICAL CONDUCT AMONG EMPLOYEES



ENSURING ADHERENCE TO ALL RELEVANT RULES AND REGULATIONS



KEEPING SHAREHOLDERS INFORMED ABOUT IMPORTANT COMPANY UPDATES AND PROGRESS

Strict Adherence to Ethical Practices

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

Key Governance Policies



ETHICS, TRANSPARENCY & ACCOUNTABILITY



PREVENTION OF SEXUAL HARASSMENT (POSH)



WHISTLE BLOWER POLICY



DIVERSITY & INCLUSION

Board of Directors

Mr. Shreekant Somany
Chairman & Managing Director



Mr. Shreekant Somany, the Chairman & Managing Director of Somany Ceramics Limited, has exhibited exemplary leadership in establishing the brand as a prominent household name both in India and abroad. Under his astute guidance, the Company has emerged as a leading manufacturer of Tiles, Sanitary ware, and Bath fittings. Notably, he has pioneered a revolutionary 'VC SHIELD' technology, which has revolutionized the industry by significantly enhancing tile durability. This noteworthy achievement has made Somany Ceramics Limited the first Indian ceramic tile company to secure a patent under the Indian Patent Act.

His exceptional technical expertise has garnered recognition from esteemed organizations, including the prestigious American Ceramic Society, where he received the Corporate Technical Achievement award. He has also contributed significantly to various industry bodies, holding esteemed positions such as Founder & Past Chairman of the Confederation of Construction Products and Services (CCPS), Past Chairman of Indian Council for Ceramic Tiles and Sanitary Ware (ICCTAS), and Past Chairman of the Confederation of

Indian Industry Northern Region. Additionally, he served as the Past President of the Indian Ceramic Society and is an active member of the CII National Council. He also served as the Chairman of the CII National SME Council. He is presently the Chairman of CII Centre for Excellence for Competitiveness for SMEs. Under his visionary leadership, Somany Ceramics Limited has excelled, driven by innovation and a commitment to excellence.

Mr. Abhishek Somany
Managing Director & CEO



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

Joining Somany Ceramics Limited in 1995, he demonstrated exceptional dedication and expertise, steadily ascended through the ranks from a Management Trainee to the esteemed position of President of Domestic Marketing. Subsequently, he assumed the role of Executive Director before assuming the mantle of Managing Director. In his present capacity, Mr. Somany bears the weight of operational responsibility and oversees the day-to-day functioning of the Company. He also actively contributes to the strategic domains of product designing, sales, and marketing, ensuring their continued growth and success. He also engages in the Company's CSR initiatives. Under his esteemed leadership, Somany Ceramics has achieved a prominent

position in the industry, earning prestigious awards and global recognition.

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

Mr. Salil Singhal
Independent Director



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

Currently, Mr. Singhal is the Chairman of CII's Task Force on Agrochemicals.

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

Mr. Salil Singhal's exceptional industry expertise, leadership acumen, and extensive involvement in various councils and committees make him a respected and influential figure in the field. He has made notable contributions to the growth and development of the identified 24 Champion industry sectors as a member of the SCALE (Steering Committee on Advancing Local Value and Exports) under the leadership of Hon'ble Commerce and Industries Minister.

Mr. Rameshwar Singh Thakur
Independent Director



Mr. Rameshwar Singh Thakur, is a professional with over 50 years of experience in business planning, product pricing, plant accounts functions, treasury, taxation, and international business development. Holding a BE degree in Mechanical Engineering, an MBA from XLRI, and a Graduate Chartered Institute of Management Accountants (London), his academic achievements are impressive. What sets Mr. Thakur apart is his remarkable ability to turn around Companies as a CEO. With a keen strategic mindset and a proven track record, he has successfully revitalized struggling organizations, propelling them towards success. Drawing upon his vast expertise, Mr. Thakur brings a wealth of knowledge and a fresh perspective to the table. His contributions in the areas of business growth and international expansion have left a lasting impact on the Companies he has served. Mr. Thakur continues to inspire with his professionalism, innovation, and unwavering dedication to achieving outstanding results.

Mr. Ravinder Nath
Independent Director



Mr. Ravinder Nath is a distinguished professional with an illustrious career spanning 50 years in the legal profession. Armed with a Bachelor's degree in Commerce (Honours) from Delhi University, as well as a Bachelor's degree in Law from the same esteemed institution, Mr. Nath further expanded his expertise by obtaining a degree in International and Comparative Laws from Kings College, London, and a PIL (Public Interest Law) certification from Harvard University. With his extensive experience and profound insights, Mr. Nath has established himself as a formidable force, adept at navigating complex legal landscapes with finesse.

Mr. Vineet Agarwal
Independent Director



Mr. Agarwal is a dynamic individual aged around 49 years who holds a prestigious degree from Carnegie Mellon University and an esteemed education from Harvard Business School.

Currently serving as the Managing Director of Transport Corporation of India Limited, Mr. Agarwal is a prominent figure in the industry. His influential role extends beyond his Company as he serves as the Past President of ASSOCHAM and holds the esteemed position of founding National President of the Young Leaders Council at the All India Management Association.

He has served as a director on the international board of the Young President Organization (YPO). He has been actively involved in various non-government organizations, particularly in creating AIDS awareness programs and establishing skill development centres across the country. His commitment to social causes has garnered recognition, as he was honoured with the Young CEO of the Year award by CEO magazine in 2014.

In 2017, the Government of India recognized his entrepreneurial prowess by nominating him as one of the

200 young entrepreneurs under the 'Champions of Change' initiative.

Furthermore, his exceptional leadership earned him the prestigious CEO of the Year 2018 award from the Indian Institute of Material Management. Mr. Agarwal's journey is marked by his multifaceted contributions to the corporate realm, social causes, and his relentless pursuit of excellence. His ability to drive positive change and lead with distinction makes him an inspirational figure in the business landscape.

Ms. Rumjhum Chatterjee
Independent Director



Ms. Rumjhum Chatterjee is the Co-founder of The Infravision Foundation.

She was a Co-founder of the Feedback Infra Group and was its Group Managing Director till 2021.

A leading practitioner of the management of human capital in the infrastructure sector, she was recognized as one of the 20 Most Talented HR Leaders in India by the World HRD Congress in 2013.

Rumjhum served as the first woman Chairperson for CII Northern Regional Council (2016-17) - the largest of the 4 Regions of CII, comprising 9 states.

She has a deep interest in women's empowerment. She served as Chairperson of CII Women Exemplar Program for 2015-17 and has been part of the Jury of the Selection Committee of the same program since its inception. She has represented industry's views on the subject before Parliamentarians in India. She also participated in a closed-door interaction to discuss women's empowerment with Prime Minister of Japan, Mr. Shinzo Abe, during his visit to India in January 2014.

Currently, she is the Chairperson of CII's National Council on Women's Empowerment and Inclusion.

She serves as an Independent Director on the Boards of Somany Ceramics Limited and C&S Electric Limited. She is also a member of the Governing Body of HelpAge India and its Vice Chairperson.

She serves as a Trustee of '3E Education Trust' (HDFC Schools) and as Chairperson of Feedback Foundation.

Rumjhum is educated in Psychology from Calcutta University.

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



Mr. Ghanshyam Girdharbhai Trivedi, is an esteemed Associate Member of ICAI (The Institute of Cost Accountants of India) and holds degrees in M.Sc. and LL.B. With over 52 years of vast experience, he has dedicated 34 years to ceramics, glass, and sanitary ware industry, showcasing his profound expertise.

Currently, he serves as the President of AIPMA (All India Pottery Manufacturers' Association) and holds memberships in esteemed organizations such as ACS (American Ceramic Society), AIMA (All India Management Association), and Indian Ceramic Society. Mr. Trivedi's commitment to the growth and development of the Ceramic, Glass, and Sanitary Ware Industry is further evident through his advisory roles as a member of the Advisory Committee of CGCRI / Ahmedabad (Central Glass and Ceramic Research Institute). He has also served as a Council Member of ICS (Indian Ceramic Society). He is also president, Kadi Industrial Association.

Mr. Trivedi has actively participated in numerous national and international conferences, where he has presented insightful research papers that have significantly benefited the industry as a whole. His association with the Company dates back to 1987.

Mr. Siddharath Bindra
Independent Director



Mr. Siddharath Bindra is an industry leader with an illustrious career spanning over two and a half decades in the dynamic world of apparel and retail trade. Holding a distinguished Master's degree in Commerce from the esteemed Bombay University, Mr. Bindra currently serves as the astute Managing Director of BIBA Fashion Limited. With a remarkable track record of success, he brings a wealth of expertise and insight to the table.



Committees & Meetings

Board

83% ATTENDANCE **9** MEMBERS **4** MEETINGS

Audit Committee

81% ATTENDANCE **4** MEMBERS **4** MEETINGS

Nomination & Remuneration Committee

75% ATTENDANCE **4** MEMBERS **4** MEETINGS

Stakeholder's Relationship Committee

88% ATTENDANCE **4** MEMBERS **4** MEETINGS

Corporate Social Responsibility Committee

58% ATTENDANCE **5** MEMBERS **5** MEETINGS

Risk Management Committee




















73% ATTENDANCE **5** MEMBERS **3** MEETINGS



Sustainability Governance

The Risk Management Committee of the Board is responsible for overseeing the Company's sustainability agenda. The Committee ensures the Company's sustainability strategy addresses current and emerging environmental and social risks. The strategy is implemented by the Corporate Leadership Team in conjunction with the operational team. The Committee routinely evaluates progress against the Company's sustainability ambitions.

The Committee has also overseen formulating and implementing various policies that ensure ethical and sustainable business practices.

 EMPLOYEE WELL-BEING POLICY	 HUMAN RIGHTS POLICY	 BOARD DIVERSITY POLICY
 CODE FOR INSIDER TRADING POLICY	 ENVIRONMENTAL POLICY	 RELATED PARTY TRANSACTIONS POLICY
 SUPPLIER CODE OF CONDUCT POLICY	 CYBER SECURITY POLICY	 PRODUCT LIFECYCLE SUSTAINABILITY AND SAFETY POLICY
 ETHICS TRANSPARENCY AND ACCOUNTABILITY POLICY	 RISK MANAGEMENT POLICY	 POLICY FOR DETERMINING MATERIALITY OF EVENTS
 CORPORATE SOCIAL RESPONSIBILITY POLICY	 WHISTLE BLOWER POLICY	 POLICY ON MATERIAL SUBSIDY
 RECORDS ON ARCHIVE MANAGEMENT	 DIVIDEND DISTRIBUTION POLICY	 POLICY ON CUSTOMER AND CONSUMER VALUE
 POLICY ON INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT	 POLICY ON RESPONSIBILITY TOWARDS STAKEHOLDERS	 CODE OF PRACTICES AND PROCEDURES FOR UPSI
 NOMINATION AND REMUNERATION POLICY	 POLICY ADVOCACY	

Value and Ethics

The Company is committed to conducting business in an ethical and transparent manner. Its commitment is operationalized through its Code of Conduct for Directors and Senior Management Personnel who are required to attest their acknowledgement of the Code. Additionally, the Company has implemented an Ethics, Transparency, and Accountability Policy that delineates clear expectations with respect to conduct and the provisions pertaining to bribery, and corruption, among others, that all individuals are expected to follow. A Whistle-blowing Mechanism that enables stakeholders to raise concerns regarding unethical practices is also in place.

No complaints about bribery, corruption, or any other unethical practice were reported during the reporting period.

Statutory and Regulatory Compliance

The Company is subject to various economic, environmental, and social regulations. It has developed a comprehensive compliance management system that monitors compliance with existing regulations and analyses the requirements of upcoming regulations.



Focused on Relations. Defined by Materiality.

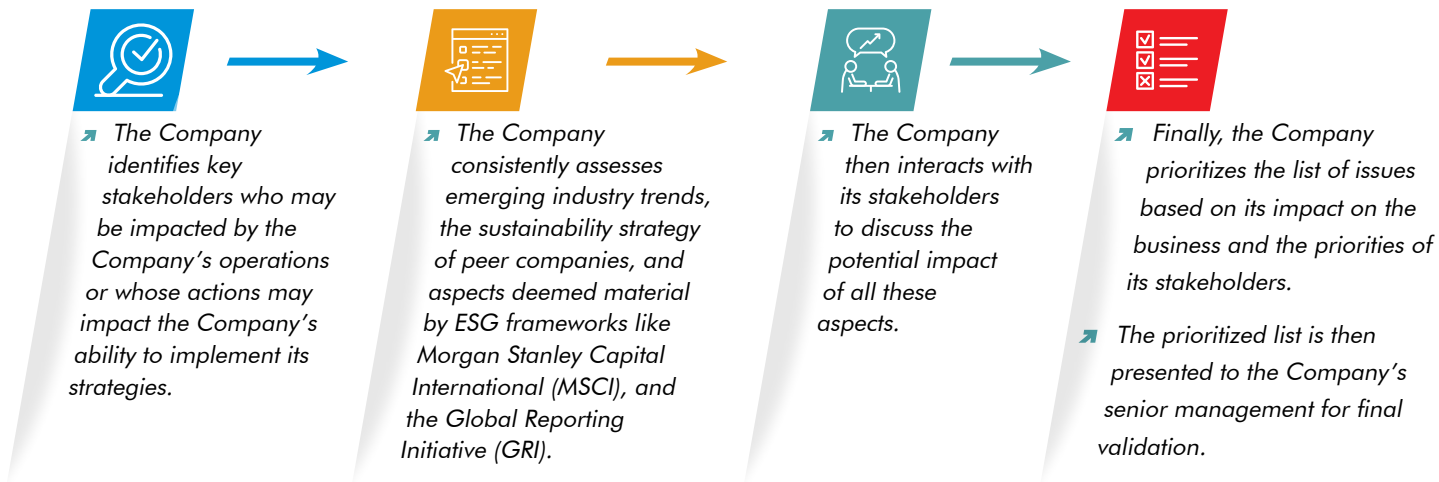
Stakeholder Engagement & Sustainability Strategy

Somany Ceramics prioritizes forming long-term mutually beneficial relationships with its stakeholders. It routinely engages with its stakeholders to understand matters of key significance and concern and factors them into the Company's decision-making and business strategy. The Company's objective is to ensure that its business strategy is responsive to the evolving expectations of its stakeholders and in alignment with economic, environmental, and social considerations. To this end, it has identified a set of key stakeholders who are most impacted by its decision-making and who, in turn, have the potential to impact its ability to operate. The Company interacts with these stakeholders through various mediums.

Stakeholder Group	Mode of Communication	Key Topics
 Government and Regulatory Bodies	<ul style="list-style-type: none"> ➤ Annual Report ➤ Regulatory Filings 	<ul style="list-style-type: none"> ➤ Policy Requirements ➤ BRSR Compliance ➤ Audit and Inspections
 Shareholders	<ul style="list-style-type: none"> ➤ Board Meetings ➤ Annual Report ➤ General Meeting 	<ul style="list-style-type: none"> ➤ Business Updates ➤ Financial Updates ➤ Non- Financial Disclosures ➤ Market Developments
 Local Communities	<ul style="list-style-type: none"> ➤ On need-assessment basis for CSR projects. This communication is made through surveys and group discussions. 	<ul style="list-style-type: none"> ➤ Monitoring and Evaluation of Ongoing Projects ➤ New Project Selection
 Suppliers and Dealers	<ul style="list-style-type: none"> ➤ E-mails ➤ Phone Calls ➤ Vendor Meets 	<ul style="list-style-type: none"> ➤ Supply Chain Issues ➤ Quality and Pricing Issues ➤ Capacity Development ➤ New Material Development
 Employees	<ul style="list-style-type: none"> ➤ Intranet Portals ➤ Training Programs ➤ Induction Programs ➤ Performance Appraisals 	<ul style="list-style-type: none"> ➤ Employee Well-being, Health, and Safety. ➤ Training Requirement ➤ Remuneration
 Customers	<ul style="list-style-type: none"> ➤ Dealer Showrooms ➤ Advertisements ➤ Social Media ➤ Brochures and Catalogues ➤ E-mails and Phone Calls 	<ul style="list-style-type: none"> ➤ Product Details ➤ Product Feedback ➤ Product Pricing ➤ New Product Development

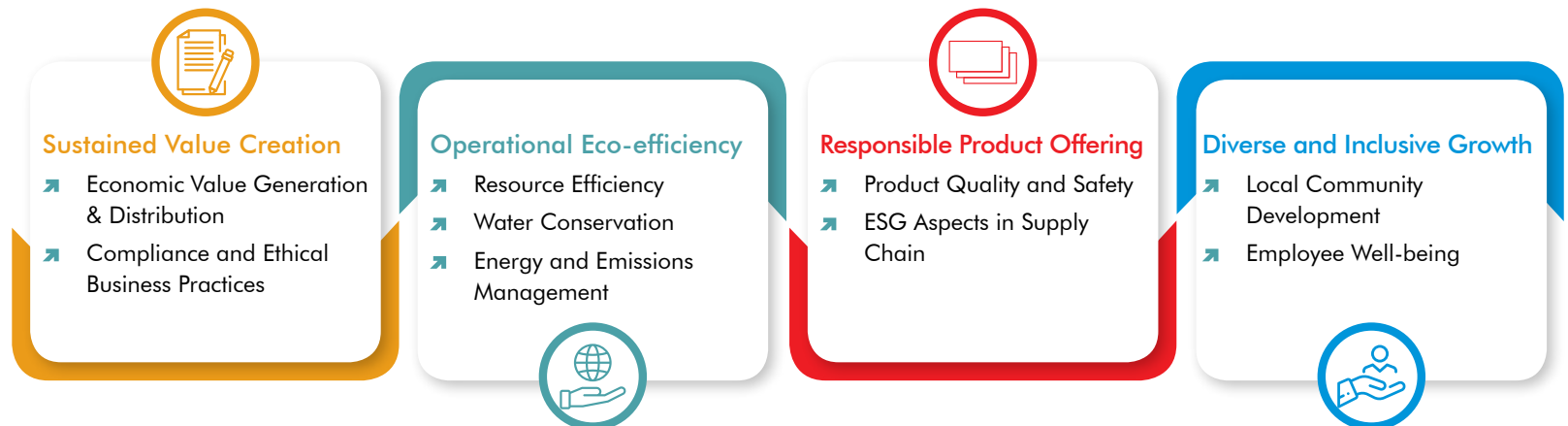
Materiality Assessment

In addition to its routine stakeholder engagement activities, the Company also conducts structured materiality assessments. These help identify the ESG aspects that are most material to it from an impact, risk, and opportunity standpoint. These aspects are an integral part of its business and sustainability strategy. The Company continuously assesses these topics to ensure alignment with stakeholder expectations and the external environment. The Company's materiality assessment process has been detailed below.



Sustainability Framework

The Company has categorized its material aspects into four pillars that guide its sustainability ambitions.



Sustained Value Creation

The Company believes that creating long-term value in business helps meet stakeholder expectations and sustain growth. Moreover, achieving compliance with applicable laws, regulations, and governance practices helps it to create value in an ethical, transparent, and accountable manner.

Operational Eco-efficiency

As a responsible organization, the Company aims to mitigate its environmental impact through operational excellence initiatives, focusing on cleaner fuels and renewable energy, water-saving technologies, and circular economy principles.



Economic Value Generation & Distribution

Compliance and Ethical Business Practices



Resource Efficiency

Water Conversation

Energy and Emissions Management



Responsible Product Offering

The Company has implemented requisite systems to ensure product quality and safeguard customer health. It also looks to leverage its relationships with its value chain partners to address environmental and social impacts in its value chain.



Product Quality and Safety

ESG Aspects in Supply Chain

Diverse and Inclusive Growth

The Company endeavors to foster an inclusive and safe work environment that safeguards the well-being of its employees, enabling them to realize their full potential. The Company is also committed to uplifting local communities and contributing to local economic development.



Local Community Development

Employee Well-being



Strengthened by Awareness. Prepared by Strategies.



In the dynamic and ever-changing business landscape, uncertainties and unforeseen events can significantly impact economies and businesses. Recognizing this, Somany Ceramics places great importance on effective risk management as a crucial element of its business strategy. The Company understands the need for sustainable business practices and actively identifies potential risks while taking proactive measures to mitigate them.



To achieve this objective, the Company has adopted a robust set of risk management practices, which act as a guiding tool in its approach towards risk management. A proactive risk management approach helps the Company to identify potential threats, assess their potential impact on the business, and implement appropriate measures to minimize their consequences.

Risk Management Practices

- Identify the existing risk
- Asses the risk
- Appropriate response
- Monitor



Key Risks	Context	Mitigation Measures
 <p>Volatility in Prices of Raw Materials</p>	<p>The Company is not insulated to changes in global commodity prices, specifically fuel.</p>	<ul style="list-style-type: none"> ➤ As a result of the increasing cost of gas throughout the year, the Company developed it's the fungibility to smoothly switch between LPG and LNG for its manufacturing facilities. Thus enabling switching between fuels according to their prices.
 <p>Regulations</p>	<p>Unforeseen and stringent environmental and economic regulations may adversely affect the Company's operations and profits. Any sudden changes in regulatory requirements could create financial and operational challenges for the Company, potentially leading to a decline in profitability. It is important for the Company to stay vigilant and closely monitor any regulatory developments to proactively adapt its operations and strategies in response to changing market conditions.</p>	<ul style="list-style-type: none"> ➤ The Company's investments in compliance management and training have moderated its carbon footprint, earning it a reputation of a responsible organization.

Key Risks	Context	Mitigation Measures
 <p>Competition</p>	<p>With the existence of organized and unorganized sector in the growing ceramic industry, it becomes gravely important for the Company to consolidate its position at the top.</p>	<ul style="list-style-type: none"> With the introduction of GST, the cost difference has been narrowing between the organized and unorganized players. The Company is well positioned to maintain and gain further competitive advantage over its competitors due to the scale of economies and strong brand recall.
 <p>Macro Factors</p>	<p>With the dynamic nature of the global and Indian economy, it becomes a priority for the Company to monitor the changes and adapt accordingly.</p>	<ul style="list-style-type: none"> As inflation and interest rates in the economy were rising in 2022-23, the Company took prudent steps to mitigate the impact on revenues by increasing its dealer network across India. Further, it also launched various marketing campaigns to increase the brand value and brand recall. The imposition of anti-dumping duties by Europe and Turkey, was offset by the cooling of freight costs. This was a significant development for the Company as it was able to maintain cost competitiveness in the global market.
 <p>Technological</p>	<p>Operating outdated technologies has the potential to harm the Company's operational efficiency, negatively impact the quality of its products and ultimately hinder its profitability.</p>	<ul style="list-style-type: none"> The Company has continuously invested in state-of-the-art equipment to improve its operational efficiency and provide a wide range of products in terms of sizes and designs across its plants.
 <p>Fraud</p>	<p>The vulnerability of the Company's systems can increase the risk of fraudulent activities that may impact its business operations.</p>	<ul style="list-style-type: none"> The Company is committed to transparency and accountability by implementing a Whistle Blower Policy. This policy not only provides a mechanism for individuals to raise concerns but also serves as a platform for all employees, vendors, and customers to report any suspected fraudulent activities, errors, or confirmed incidents of fraud or misconduct. The Company has stringent controls and checks to prevent malpractices. Its centralized payment system, coupled with dual authorization, enhanced financial checks and balances.
 <p>Inflation</p>	<p>The Company's operations may be impacted by inflationary pressures that cannot be transferred to consumers.</p>	<ul style="list-style-type: none"> To safeguard its competitiveness, the Company persistently capitalizes on economies of scale, efficient cost management, and streamlined logistics. This strategic approach enables the Company to navigate the challenges posed by inflationary pressures that cannot be passed on to consumers.



BRAND

CAPITAL



Brand that Resonates Strongly

The 'Somany' brand is synonymous to rich legacy, unfaltering trust, exceptional quality, and design excellence. With over five decades of operations, the 'Somany' brand has greatly contributed to the Company's success through robust revenue growth, improved trade terms, and a strong balance sheet. With a diverse portfolio of products that showcase patented innovations, the Company appeals to a wide market segment with its strategic 'More Value for Money' pricing strategy. Additionally, its expansion into Tier 2, 3, and 4 cities has increased accessibility and enhanced market share, future-proofing its position as the leader in the industry.

4,43,000

FACEBOOK FOLLOWERS

23,800

INSTAGRAM FOLLOWERS

43,145

LINKEDIN CONNECTIONS

Results of Successful Search Engine Optimization

94
% | GROWTH
IN WEBSITE
TRAFFIC

283
% | GROWTH
IN LEADS

449
% | GROWTH
IN CALL
GENERATION

81
% | GROWTH IN
IMPRESSION

Somany's Edge

Somany Ceramics adopted a broad segmented approach to its advertising and promotional expenditures, considering a range of strategies and channels. This includes celebrity endorsements, digital marketing efforts, sampling campaigns, and the creation of captivating store experiences.

The Hero Hub Hygiene approach holds significant value for Somany, as it provides a structured framework for planning communication and content strategy. The Company's Hero campaigns play a pivotal role in enhancing brand equity and recognition, while Hub campaigns target specific events or awareness initiatives. The Hygiene campaigns are strategically designed to drive sales, conversions, and lead generation.

The Company successfully executed Hero Hub Hygiene Campaigns, which included geo-targeted TVC ads, widening its reach and fostering meaningful engagement. Multiple hub campaigns were carried out for promoting temp shield tiles, slipshield tiles, and VC shield tiles, showcasing the Company's commitment to effective marketing and product promotion.

Success Achieved through Hero Hub Campaigns

10.5
million | TVC
REACH

60
million | IMPRESSIONS

4.6
Lakhs | CLICKS

26
million | VIDEO
VIEWS

Somany, in the year 2022-2023, launched a dynamic 5-week-long TV campaign, featuring its brand ambassador, the iconic actor Salman Khan. With a deliberate focus on the news genre, the Company strategically targeted channels in the HSM (Hindi Speaking markets). Starting on 12 November, 2022, the campaign was broadcasted on prominent news channels, including Aaj Tak, India TV, News 18, Zee News, ABP news, Kanak News, O TV, PTC News, Republic Bharat, Saam TV, and TV 9. Embracing a comprehensive 360-degree approach, the Company seamlessly integrated TV, digital & social media, and outdoor platforms to create maximum impact. This strategic approach allowed the Company to effectively reach the target audience, attract new prospects, and expand its captive customer base, while increasing market penetration. The campaign garnered significant attention, resulting in enhanced brand recall and stronger awareness among the audience.

During the year, Somany undertook a significant website revamp to offer an immersive and informative online experience to its customers. The revamped website now features engaging content, a user-friendly interface, and an improved browsing experience. As part of the upgrade, the Company implemented QR codes, allowing customers to access a 360-degree view of the tiles, facilitating informed decision-making.

In line with maintaining its leadership position and widen reach, the Company adopted an advertising strategy targeting Tier 3 and Tier 4 markets through traditional media. To further boost its presence in Tier 2 and Tier 3 cities, the Company introduced a new format of specialized franchised stores called 'Factory Stores', providing customers across the target markets with easy accessibility to fast-moving tiles in their respective areas. Alongside these efforts, the Company has utilized traditional media, outdoor advertising, and branding at dealer outlets and multi-brand outlets to foster strong relationships with customers.

To further amplify its reach, the Company ran geo-targeted campaigns in Tier 2 and Tier 3 cities. These campaigns were designed to cater to the specific needs and preferences of customers in those regions. These innovative initiatives have yielded excellent outcomes – in terms of increasing website traffic – registering an uptick of 371% from these geographies compared to the corresponding period in, the previous year.

The Company acknowledges the powerful connect the sport of cricket has with the Indian audience. To harness the potential of this connection, Somany Ceramics entered into a successful partnership with the IPL franchise Lucknow Super Giants during the year 2022-23. This collaboration resulted in prominent branding of the Somany Ceramics logo on the team's helmets and caps. This

strategic decision has played a crucial role in establishing strong brand recall and forging a meaningful connection between the 'Somany' brand and contemporary consumers. The franchise's consistent engagement with fans, especially during the immensely popular IPL season, has been instrumental in cultivating a positive brand perception. Thus, strengthening the bond between Somany Ceramics and its valued target audience.

The endorsement of brands by cricket players holds considerable influence, as it enhances their perceived credibility and reliability. These endorsements also foster a sense of identity and community among fans. The collaboration with Lucknow Super Giants is a bold step in this direction and drives a sense of positive engagement and goodwill. In addition to on-field visibility, the partnership has leveraged dedicated social media campaigns and shared assets, enabling Somany to reach a wider audience and take consumer connect to the next level.

Furthermore, the partnership gains added strength due to the strategic juxtaposition of the Lucknow franchise's geographical location and the region where Somany Ceramics holds a robust reputation. This geographical alignment creates a powerful synergy by tapping into Company's existing customer base and market recognition, adding value to the thriving collaboration.

FINANCIAL CAPITAL





Secured by Stronger Base. Upheld by Financial Strength.

Somany Ceramics Limited places a significant focus on implementing prudent financial practices to enhance value for its shareholders. The Company is dedicated to maintaining a robust balance sheet and optimizing its working capital, prioritizing efficient financial management.

₹ 2,46,464

Lakhs

SALES FOR 2022-23

13.0%

3 YEARS SALES CAGR

18.4%

GROWTH IN REVENUE ON
AN ANNUAL BASIS

₹ 30,831

Lakhs

NET DEBT

9.9%

ROCE FOR THE YEAR

0.39x

NET DEBT-EQUITY RATIO
FOR THE YEAR 2022-23

5-Years Financials

(Rs. in lakhs)

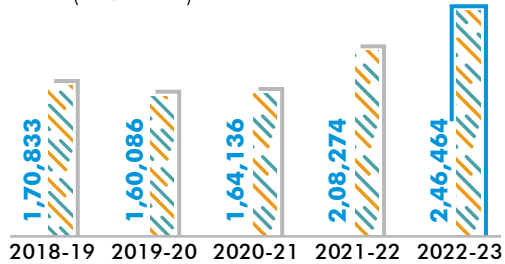
(Based on Consolidated Financials)					
Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Sales	1,70,833	1,60,086	1,64,136	2,08,274	2,46,464
EBIDTA	16,455	13,076	19,018	20,653	18,871
Other Income	1,796	1,275	1,278	1,342	1,454
Finance Costs	4,592	5,024	4,014	2,964	4,036
EBDT	13,659	9,327	16,282	19,031	16,289
Depreciation	4,425	5,933	6,163	6,395	6,785
PBT	9,234	3,394	10,119	12,636	9,504
PAT	4,632	2,445	6,059	8,869	7,149
Equity Share Capital	848	849	849	849	849
Other Equity	60,456	58,404	63,226	71,781	77,848
Deferred Tax Liability	5,315	3,358	3,208	3,230	2,433
Loan funds#	57,312	50,928	42,346	47,655	48,837
Gross Block (including CWIP)	82,859	93,278	96,845	1,23,708	1,35,954
Net Block (including CWIP)	73,029	77,888	76,016	97,147	1,06,242
Current Assets	90,318	74,299	76,521	78,602	89,940
Current Liabilities##	30,271	25,456	28,274	37,358	51,058
Net Current Assets	60,047	48,843	48,247	41,244	38,882
Networth*	61,304	59,253	64,075	72,630	78,697
Capital Employed	1,32,889	1,22,948	1,19,599	1,34,277	1,40,724
EPS (Rs.)**	10.93	5.76	14.27	20.88	16.83
Book Value (Rs.)**	144.66	139.50	150.86	171.00	185.28
Dividend (Rs.)**	2.00	2.00	2.40	3.00	3.00
RONW (%)	7.76	4.06	9.83	12.98	9.45
ROCE (%)	10.65	6.58	11.65	12.29	9.85
Debt Equity (times)	0.93	0.86	0.66	0.66	0.62

including current maturities of loans | ## excluding short term borrowings

*Networth represents sum total of equity share capital and other equity | * Face Value of ₹ 2/- per share

Sales

SALES (IN ₹ LAKHS)



Definition

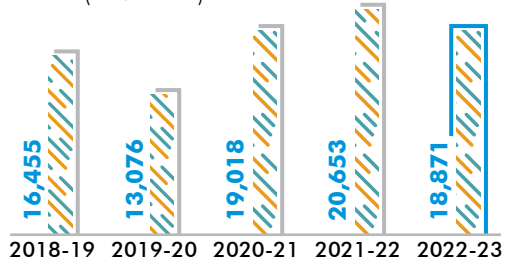
Sales figures net of taxes and S & D expenses

Sales Performance

The Company's sales declined in 2019-20, with revenues reaching ₹ 1,60,086 Lakhs. However, it quickly recovered and witnessed growth in the subsequent years. Sales increased to ₹ 1,64,136 Lakhs in 2020-21, followed by further growth to ₹ 2,08,274 Lakhs in 2021-22 and ₹ 2,46,464 Lakhs in 2022-23.

EBITDA

EBITDA (IN ₹ LAKHS)



Definition

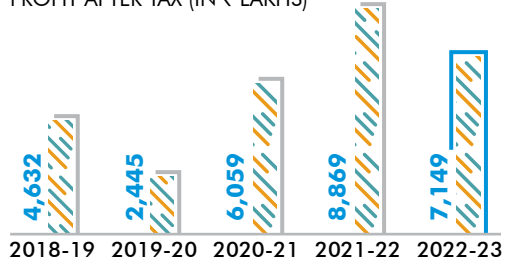
Earnings before the deductions of interest, depreciation, extraordinary items and taxes.

EBITDA Performance

The Company's EBITDA decreased in 2019-20 to ₹ 13,076 Lakhs before increasing to ₹ 19,018 Lakhs in 2020-21 and ₹ 20,653 Lakhs in 2021-22. The Company's EBITDA for the year 2022-23 reduced to ₹ 18,871 Lakhs due to a sharp rise in input costs.

Profit After Tax (PAT)

PROFIT AFTER TAX (IN ₹ LAKHS)



Definition

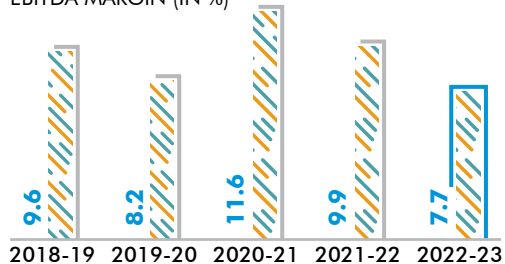
Profit achieved during the year after deducting all expenses and provisions

PAT Performance

The Company's PAT decreased in 2019-20 to ₹ 2,445 Lakhs before increasing significantly to ₹ 6,059 Lakhs in 2020-21 and to ₹ 8,869 Lakhs in 2021-22. The Company's PAT reduced to ₹ 7,149 Lakhs in 2022-23 due to cost pressure.

EBITDA Margin

EBITDA MARGIN (IN %)



Definition

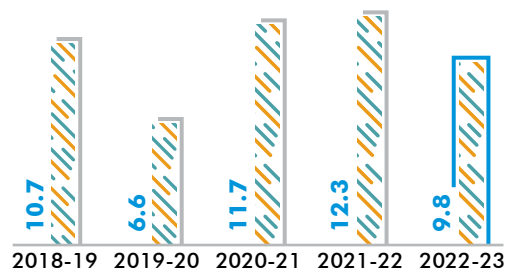
A profitability ratio used to measure the Company's operating efficiency.

EBITDA Margin Performance

The Company's EBITDA margin declined to 8.2% in 2019-20 before rising in 2020-21 to 11.6%. The Company's EBITDA margin declined in 2021-22 and in 2022-23 to 9.9% and 7.7%, respectively, due to increased input costs.

Return on Capital Employed (ROCE)

RETURN ON CAPITAL EMPLOYED (IN %)



Definition

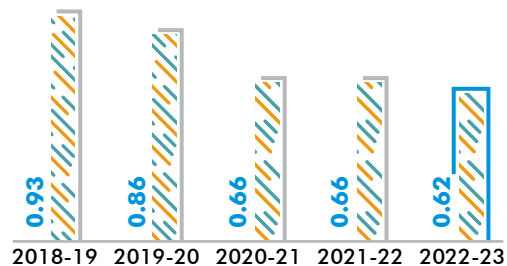
A financial ratio that measures a Company's profitability and the efficiency with which capital is employed in the business.

ROCE Performance

The Company's ROCE declined in 2019-20 to 6.6% before rising to 11.7% in 2020-21 and 12.3% in 2021-22. The Company's ROCE declined in 2022-23 to 9.8% on account of lower profitability.

Debt-Equity

DEBT-EQUITY RATIO (X)



Definition

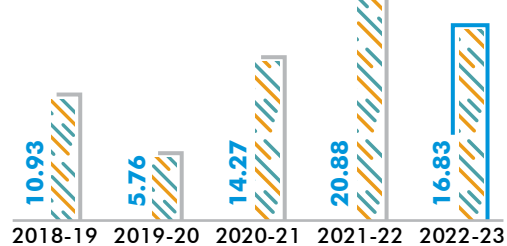
Derived through the ratio of debt to net worth (less revaluation reserves).

Debt-Equity Performance

The Company's Debt-Equity has been improving since 2018-19 as it has been on a downward trajectory. From its high of 0.93x in 2018-19, the Company's debt-equity reached its lowest of 0.62x in 2022-23.

Earnings Per Share (EPS)

EARNINGS PER SHARE (IN ₹)



Definition

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

EPS Performance

The Company's EPS decreased in 2019-20 to ₹ 5.76 before rising to ₹ 14.27 in 2020-21 and ₹ 20.88 in 2021-22. Company's EPS reduced to ₹ 16.83 in 2022-23, which was still higher than that of 2020-21 and its preceding years.



Overview

Amidst the backdrop of rising gas prices, predatory pricing, and a challenging macroeconomic environment, the Company encountered significant hurdles that impacted its financial performance. Despite the challenges, Somany Ceramics witnessed a notable 18.3% growth in revenues. The surge in gas prices exerted immense pressure on margins, resulting in increased costs. However, the company demonstrated resilience throughout the fiscal year 2022-23, as indicated by the notable rise in revenues compared to the fiscal year 2021-22.

Somany's Edge

Somany, through its diligent efforts, has successfully reduced its debt and improved its receivables, bringing it further down to 40 days in 2022-23 from 42 days in 2021-22, positioning itself for greater financial stability. In the year 2022-23, the net debt reached a commendable level of ₹ 30,831 Lakhs despite significant capital outlay reflecting the company's commitment to prudent financial management. In these challenging and uncertain times, the Company has remained steadfast in its focus on maintaining liquidity, with a cash and carry ratio of 56%. This prudent approach, coupled with judicious cash utilization for expansion and limited reliance on debt, exemplifies the Company's strategic financial decision-making. With a strong emphasis on financial health, Somany continues to forge ahead, ready to seize new opportunities and overcome future challenges.

Outlook

With the anticipated further stabilization of gas prices in the year 2023-24, Somany Ceramics remains optimistic about the future. This normalization of gas prices signifies a gradual restoration of normalized margins for the Company. It provides a favorable pathway for the Company to confidently pursue its ambitious goals and aspirations, propelling the Company forward on its journey of growth and success.

A close-up photograph of a hand holding a pencil, writing on a notepad. The notepad is held by a black binder clip. The background is a wooden desk. The text 'MANUFACTURING CAPITAL' is overlaid in large, white, bold, sans-serif font with a slight shadow effect. The word 'MANUFACTURING' is on the top line, and 'CAPITAL' is on the bottom line. The lighting is warm and golden, creating a professional and focused atmosphere.

MANUFACTURING CAPITAL



Driven by Capabilities. Scaled by Efficiency.

Somany Ceramics strives for operational excellence by establishing a strong manufacturing foundation and streamlining its processes. By doing so, the Company enhances its operational efficiency to achieve maximum productivity and effectiveness. This commitment to continuous improvement empowers Somany Ceramics to deliver high-quality products and services, optimize resource utilization, and meet the evolving demands of the market.

11 MANUFACTURING PLANTS

62 msm per annum
INSTALLED CAPACITY (TILES)

11 msm per annum
RISE IN OVERALL INSTALLED CAPACITY (TILES) DURING THE YEAR

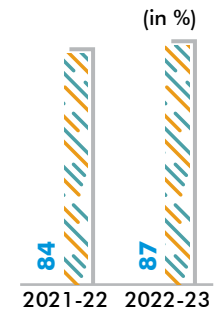
0.78 million pcs per annum
INSTALLED CAPACITY FOR SANITARYWARE

1.30 million pcs per annum
INSTALLED CAPACITY FOR BATH FITTINGS

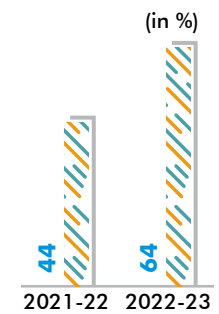
Capacity Utilization

Business Segment

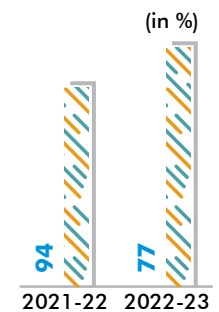
Tiles



Sanitaryware



Faucets



Somany's Edge

Somany's manufacturing prowess stems from its unique dual approach, which combines in-house production through self-owned manufacturing plants with strategic partnerships with external manufacturers. By implementing this strategy, the Company has achieved many advantages, encompassing enhanced product effectiveness, integration of innovative technologies, distinctive and exclusive designs, expedited product launch timelines, and a secure and dependable supply chain.

Somany Ceramics Limited operates its manufacturing facilities in multiple locations, including Derabassi (Punjab), Bahadurgarh (Haryana), Ahmedabad (Gujarat), Morbi (Gujarat), and Tirupati (Andhra Pradesh).

With an unwavering ambition and resilient spirit, Somany Ceramics successfully commissioned the Company's largest-ever expansion, adding 11 msm during the year 2022-23. This significant achievement showcases the Company's commitment to growth and its ability to adapt to the changing

market dynamics. Building on this momentum, the Company is now poised to further expand its operations by commissioning an additional 4 msm in the first quarter of 2023-24.

Moreover, Somany is dedicated to enhancing its operational efficiency through continuous upgrades and implementation of the kaizen philosophy. By adopting a culture of ongoing improvement and embracing innovative approaches, the Company aims to optimize its operations, increase efficiency, and minimize wastage.



The Company's Kassar plant in Haryana, established in 1971, has played a pivotal role in Somany's operations. Specializing in the production of glazed vitrified tiles, wall tiles, ceramic floor tiles and planks. This manufacturing unit is strategically positioned to take advantage of a low competition environment and logistical benefits in serving the northern market. Throughout the year, the Company implemented significant upgrades, resulting in notable improvements to production capacity. The modernization of DFF-1 line, more than doubled the daily output, skyrocketing from 7,000 to 15,500 square meters, effectively increasing the plant's annual productivity. Moreover, the Company streamlined its operations, optimizing productivity, reducing wastage, and enhancing overall efficiency.

The successful development of alternative raw materials, material usage optimization, and modernization of infrastructure (to incorporate LPG and RLNG as additional fuel sources in kiln operations) allowed the Company to successfully navigate gas price increase during the year. Additionally, the adoption of biomass fuel in lieu of fossil fuels serves as a cornerstone of the Company's eco-friendly approach, further bolstering its sustainability efforts.

The Kadi plant in Gujarat, established in 1981, strategically situated near a major port and national highways, enjoys the benefits of reduced transportation costs and improved

operational excellence. This advantageous location facilitates the seamless access to local vendors for a consistent supply of raw materials. In addition, during the year 2022-23 the plant witnessed an increase in capacity, a reduction in downtime, and a significant reduction in wastage through the process efficiencies undertaken.

Furthermore, the Company's commitment to process optimization is reflected in its implementation of cost-saving measures through the adoption of alternative raw materials, even amidst rising prices. By establishing direct contacts with mine owners and implementing a comprehensive pilot program, the plant ensures the uncompromized quality of the final product. Moreover, the plant's exceptional level of fungibility enables seamless transitions between various fuel options, such as liquefied petroleum gas (LPG) and liquefied natural gas (LNG). This versatility empowers the plant to effectively navigate fluctuations in fuel prices, thereby optimizing operational costs.

STRENGTHS



Team

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



Supply Chain

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



Upgradation

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



INTELLECTUAL CAPITAL



Supported by Knowledge. Amplified by Innovation.

By placing a strong emphasis on research and development (R&D), Somany Ceramics excels at infusing innovation into its product offerings, effectively meeting the ever-changing demands of its customers. This strong commitment to R&D has enabled the Company to establish itself as a leader in the industry, developing sustainable processes and products that have helped it solidify its position over the years.

₹118 | R&D SPENT
Lakhs | FOR THE YEAR
2022-23

R&D for Sustainable Product Design

Intellectual capital includes skills, knowledge, and propriety information of an organization. Somany's patents, licenses, copyrights, and intellectual property are also part of its intellectual capital bouquet. These are effective tools that help the Company innovate and create new products that service the demand of its customers and help drive growth.

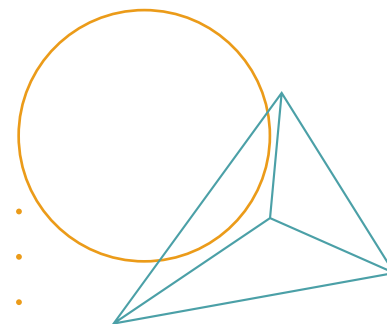
In the last few years, as environmental (including climate change) and social

considerations have come to the forefront, the Company has enhanced its research and development capabilities to develop green building materials with a positive environmental and social impact. To this end, the Company has ramped up its research activities in its Kassar R&D unit, which has been certified by the Department of Scientific and Industrial Research (DSIR).

As a testament to its endeavors, Somany Ceramics received a patent for its VC shield technology that safeguards tiles from wear and tear, scratches, stains, and weather

damage. Additionally, it has registered 133 trademarks for innovative offerings. The Company's products have also been awarded eco certifications, including the Indian Green Building Certification (IGBC) and WEP-I Water Rating.

In the coming years, Somany intends to further bolster its R&D capabilities, enabling it to develop sustainable and innovative solutions and consolidate its position as a green building materials manufacturer.



Product Patent

1
Granted VC SHIELD: A HIGH ABRASION RESISTANT GLAZE COMPOSITION

2
Pending ANTI-SKID CERAMIC FLOOR TILE WITH TEMPERATURE SHIELD COATING OF HIGH SOLAR REFLECTIVE INDEX

133 REGISTERED TRADEMARKS

1 A DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH (DSIR) RECOGNIZED R&D UNIT

Temp Shield



Temp Shield is a unique curation of heat-resistant tiles that reflect up to 75% of sunlight, resulting in reduced temperatures. Temp Shield tiles are ideal for roofs and sun-facing sides. These tiles reduce room temperature enabling savings in energy bills. Furthermore, these heat-resistant tiles also help cut down on the Urban Heat Island Effect.

75% THERMAL EMITTANCE

REDUCES URBAN HEAT ISLAND

Slip Shield



The Slip Shield range of tiles are durable and easy to maintain. They are also scratch and blemish-resistant and have been tested by the Ceramic Research Company in Malaysia. These tiles have a high coefficient of friction, safeguarding customer health and safety.

A person wearing a white lab coat is holding a clipboard. The image is overlaid with a semi-transparent red layer. The text 'HUMAN CAPITAL' is prominently displayed in the center in a bold, white, sans-serif font.

HUMAN CAPITAL



Ignited by Minds. Enriched by Resilience.

With the aim of fostering a thriving environment that values individual satisfaction and growth, Somany Ceramics places a strong emphasis on driving success. Anchored in key focus areas such as talent diversity, continuous learning and development opportunities, the Company strives to cultivate a workplace culture that attracts and retains talent. It also nurtures the personal and professional growth of its employees. By prioritizing these areas, the Company actively contributes to its progress while fostering an environment that supports the holistic development and fulfillment of its workforce.

Somany's Edge in Employee Relations

The Company has the motto 'One Team One Somany' and therefore it strives to create an inclusive and safe work culture that fosters work satisfaction and growth. The Company believes employees play a pivotal role in its success story. To this end, the Company has formulated a comprehensive Human Capital strategy focusing on employee well-being, talent attraction and retention, learning and development, and occupational health and safety.

Total Employee Workforce as of
31 March, 2023

1,278 | EMPLOYEES

2,455 | WORKERS

3,733 | TOTAL WORKFORCE

Talent Development, Attraction, and Retention

The Company has a robust recruitment strategy through which it looks to hire and retain the brightest talent. Somany has streamlined its talent acquisition program in accordance with this objective. Every year, the Company formulates a recruitment plan and evaluates all candidates through competency-based interviews. Somany Ceramics provides its employees with numerous benefits, including health insurance, accident insurance, flexible working, and maternity benefits, among others.

The Company also routinely engages with all employees to gauge satisfaction and address any grievances and concerns. The Company further leverages this engagement to formulate employee-centric policies and programs. It also respects the right to collective bargaining agreement and unionization and engages with workers to redress grievances. At present, 100% of the Company's workforce is covered by such agreements.

Turnover Rate 2022-23

11.2 EMPLOYEES
%

6.5 WORKERS
%



Employee Connect

The Company has instituted several grievances redressal mechanisms for employees to address concerns in an effective manner.



Help Desk: For any complaints made through the Help Desk or any violations of the standards outlined in the Whistle Blower Policy and Business Code of Conduct, an escalation matrix has been formulated.



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



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



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

Employee Grievances Reported in 2022-23

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

The Company has developed a Competence-Based Performance (CBT) appraisal system to ensure effective performance evaluation. This evaluates performance based on pre-determined Key Performance Metrics (KPMs), identifying learning and skill gaps. The system is based on the 9 Box Performance Grid and is operationalized through various technological portals.

Employee Performance Reviews 2022-23

100 MALE
EMPLOYEES
%

100 FEMALE
EMPLOYEES
%



Diversity

Somany is an equal-opportunity employer and does not discriminate on the basis of creed, gender, and ethnicity. The Company's commitment is operationalized through its **Employee Well-being Policy**. The Company fully acknowledges that a diverse workforce can foster innovation; hence, it also aims to promote diversity in positions of management as stated in its **Board Diversity Policy**.

Diversity in Management 2022-23

11.1 | BOARD OF DIRECTORS
%

Learning and Development

The Company believes that its main assets are its employees. Hence, it provides various internal and external learning opportunities to support their growth and enhance their capabilities.

Somany Learning University

The Company has established Somany Learning University to provide necessary education pertaining to ceramics production. The University not only provides training to the Company's employees but also to unemployed youth. Through short 6-months courses, the University imparts both theoretical and practical knowledge to bolster job opportunities in the ceramics industry. The Company is the first such company in India to offer free-of-cost courses to the youth, with the objective of supporting the development of the ceramics industry.

Somany E-Campus

E-Campus is a digital platform where all employees can pursue relevant courses pertaining to their job functions or areas of interest. These specialized courses and modules have specifically



been designed to nurture the learning appetite of Company's new-age learners. Each employee has a personalized learning dashboard that motivates the learning achievements of all employees.

Skill Upgradation Training for Employees 2022-23

78.7 % EMPLOYEES

68.5 % WORKERS

Leadership Development

Somany nurtures its employees to become future leaders. The Company provides the necessary skills and learning opportunities and supports employees to reach their full potential and take up leadership roles.

Samarthya

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

Arjunas

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

Ninjas

This is a fast-track career progression initiative. The potential of top performers to transition to the middle management level is assessed.



Occupational Health and Safety

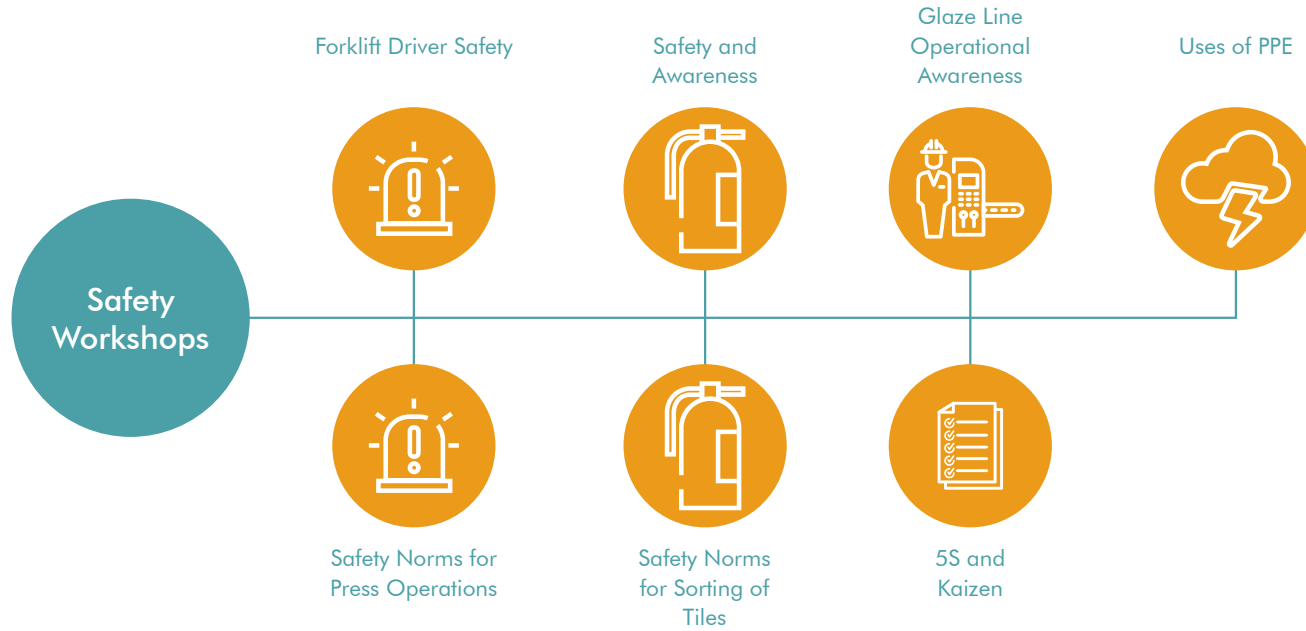
Occupational Health and Safety (OHS) is integral to Somany's operations. The Company is committed to providing all its employees with a safe and healthy workspace to achieve zero accidents and injuries. The Company's commitment to OHS is operationalized through its **OHS Policy**.

The Company has implemented an Occupational Health and Management system in its plants to ensure a safe work environment. The management system in both these plants is ISO 45001:2018 certified. The Company has also instituted a

Safety Committee, which oversees safety performance and the implementation of safety measures.

Additionally, the Company undertakes Hazard Risk Identification Assessment (HIRA) for high-risk tasks and formulates Standard Operating Procedures (SOPs) to mitigate risks. All employees are routinely trained in good safety practices and safety incident reporting. Every year, the Company celebrates National Safety Week and conducts various workshops and drills to increase awareness and encourage good safety practices.





Safety Performance 2022-23	
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	0.92
Total recordable work-related injuries	1
Number of fatalities	3
High-consequence work-related injury or ill-health (excluding fatalities)	0





SOCIAL AND RELATIONSHIP CAPITAL



Nurtured by Relations. Strengthened by Ambitions.

With a profound focus on cultivating enduring and meaningful relationships with society as a whole, Somany Ceramics is committed to creating a safe environment and building a brighter tomorrow for future generations. The Company's operations are meticulously designed to ensure society's welfare and create opportunities for individuals to shape a better future. Somany Ceramics believes in adding value to customers' lives by prioritizing customer redressal, placing it at the heart of its operations. By working closely with vendors, the Company aims to foster a collaborative and mutually beneficial environment that drives positive change and contributes to society's overall well-being.

Somany Ceramics Limited endeavors to build long-term relationships with all its stakeholders. As a stakeholder-centric organization, the Company is focused on producing high-quality innovative products that safeguard customer health and safety, leveraging business relationships with suppliers to promote sustainable practices in the value chain, and engaging with local communities to promote economic development.

Product Quality and Safety

Somany Ceramics is committed to ensuring the highest product quality and safety standards. The Company has invested in innovative technologies to bolster the quality and sustainability of its products. To this end, it has also implemented a robust Quality Management System that is ISO 9001:2015 certified. Additionally, the Company has obtained the European Certification (CE) for its products which attests to its compliance with European health, safety and environmental regulations. In the reporting period, no complaints pertaining to customer health and safety or product quality were reported.

ESG Aspects in Supply Chain

The Company is cognizant of the role that it must play in promoting sustainable practices in its value chain. This year, the Company developed a standalone **Supplier Code of Conduct** for its suppliers and vendors. The Code outlines Somany's expectations with respect to business ethics, environmental regulations and human rights.

Local Procurement

The Company's operational strategy is aligned with the Government of India's 'Aatmanirbhar Bharat,' mission. The Company procures a majority of its raw materials from local suppliers. This creates livelihood opportunities in local communities and helps the Company save on fuel, energy costs, and the associated GHG emissions. In the reporting period, 100% of the Company's natural raw materials procurement was serviced by local vendors.

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

Ensuring a Healthy Society

Demonstrating its dedication to advancing health equity, H. L. Somany Foundation (CSR arm of the Company) joined hands with Helpage India to introduce Mobile Healthcare Units ("MHU") in Morbi and Tirupati. These units are purposefully designed to offer free healthcare access to remote communities, reinforcing our dedication to promoting health equity.

MHU aimed at catering to the primary health care needs of the community. This program is focused on delivering regular and high-quality health care services directly to the doorsteps of the beneficiaries, completely free of cost. This approach ensures easy access to primary health services without necessitating visits to healthcare facilities.

MHU has emerged as a crucial enabler in delivering qualitative health services to remote communities. Each MHU is well-equipped with a qualified medical professional, pharmacist, social worker and dedicated driver cum community mobilizer, ensuring comprehensive healthcare access for the beneficiaries.

Services offered free of cost:

Primary Health Care Services: Offering preventive care, curative medications, and counselling, ensuring early detection and better health outcomes

Home Visits: Guaranteeing essential medical attention and care to those who are unable to visit the MHU

Disease Tracking: Monitoring various diseases affecting the community and aiding targeted interventions and resource allocation

General Health Camps: Providing additional health services and medical support through general health camps

Health Awareness Camps: Educating the community about various health issues, preventive measures, and the importance of healthy lifestyles

Dental Health Camp: Addressing elderly beneficiaries' dental issues through mobile health care units, including denture fixtures

Blood Donation: Organizing blood donation camps and encouraging community to participate in such camps.

Impact

MHU at Tirupati

3,000+

TREATMENTS



MHU at Morbi

12,000+

TREATMENTS





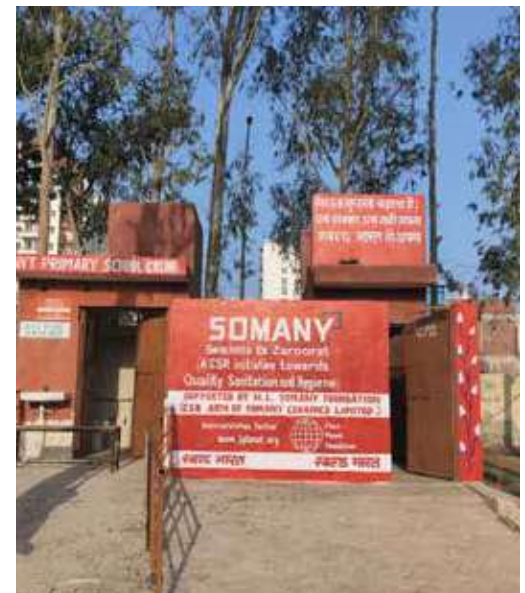
Swachhta Ek Zaroorat

The Company has worked on a transformative project addressing inadequate sanitation facilities leading to diseases and economic impact. The project showcases the potential of small-scale efforts demonstrated positive outcomes, enhancing health, education and economic development.

The lack of proper sanitation and hygiene is still a major issue in India, particularly in rural areas and low-income urban settlements. This lack of proper sanitation and hygiene infrastructure has significant implications for public health, especially for women and children who are more vulnerable to illnesses caused by poor sanitation. Poor sanitation can spread diseases like cholera, diarrhoea, typhoid, and hepatitis A, which can be fatal in severe cases.

The Government of India has taken several initiatives to address this issue, such as the Swachh Bharat Abhiyan (Clean India Mission) which aims to provide proper sanitation facilities and eliminate open defecation. In order to support this mission, the company aims to enhance access to proper facilities, fostering hygiene promotion and disease prevention. The project also targets reducing open defecation and emphasizes public awareness through education and outreach initiatives in Jhajjar district, Haryana.

Work	Anticipated Impact
10 Schools	4,000+ Children
1 Railway Station	4,00,000+ People
2 Dispensaries	15,000+ People
22 Public Places	70,000+ People
1 Anganwadi	2,000+ People
2 Hospitals	25,000+ People
5 Police Stations	3,000+ People
5 Colleges	4,000+ Youth
Total	5,23,000+ People



Hunar- Sustainable Education, Skill and Livelihood Development Program

In India, skill development is vital for the sizable young population to participate in the workforce. The Hunar Project by the Company in Andhra Pradesh aims to foster Sustainable Education, Skill, and Livelihood Development, contributing significantly to the nation's progress. With approximately 65% of the population below 35 years of age, these programs are indispensable for the nation's progress.



Project Flow and Structure



- The project began with mobilization and enrollment in Venkatagiri, Andhra Pradesh, followed by theory and practical training at the Center for Excellence.
- The training included Plumbing and Masonry to more than 100 trainees. The trainees were also provided training under Tile Master Program.
- At the end of the training, all the trainees had to undergo third party assessment under the guidelines of Skill India and NSDC followed by more than 95% successful job placements.

Outcomes of the project

- Livelihood opportunities through skill enhancement and vocational training
- Added value through soft skills and personality development towards preparedness for the job markets
- Created opportunities to acquire skills throughout life, especially for youth and marginalized groups
- Developed a high-quality skilled workforce and entrepreneurs



HL Somany Scholarship: Promoting Inclusive Education

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



NATURAL

CAPITAL



Encouraged by Nature. Persevered by Passion.

Somany Ceramics prioritizes an environmentally friendly approach, aligning with its vision and mission. This commitment not only ensures the Company's long-term operations but also safeguards the environment for future generations.

Somany Ceramics acknowledges the importance of addressing pressing environmental challenges, and it demonstrates its commitment through the implementation of its Environmental Policy.

Over the last few years, the Company has introduced several initiatives to improve resource efficiency and reduce its carbon footprint.

To ensure effective environmental governance and to bolster performance, the Company has implemented ISO 14001:2015 certified Environmental Management Systems (EMS) across its plants.

Resource Efficiency

Materials Input

Somany Ceramics considers resource efficiency as an essential component of its environmental strategy. The Company strives to optimize resource consumption and minimize material waste. It has implemented several initiatives to improve efficiency, including the introduction of a range of

lightweight tiles with reduced thickness, resulting in minimized raw material usage. Furthermore, the company has optimized the consumption of glaze material through process improvements.

Waste

Somany Ceramics has implemented efficient waste management practices at both its plants and has developed Standard Operating Procedures (SOPs) to enable safe and responsible disposal of waste. The Company adheres to all regulations pertaining to waste disposal and ensures that all its waste is collected and processed by vendors certified by the State Pollution Control Board (SPCB).

Somany Ceramics endeavours to recycle the waste generated within its operations and demonstrates this by utilising waste from different stages of the production process as input materials. During the reporting period, approximately 10% of the input material used in the production process was recycled waste.

Energy and Emissions Management

Somany Ceramics' energy requirements are met through a range of sources, including grid electricity, natural gas, diesel, LPG, biomass, wind power, and solar power.

Energy Consumption 2022-23

23,02,367
Gigajoules (GJ)

DIRECT ENERGY

2,39,798
Gigajoules (GJ)

INDIRECT ENERGY



Energy Efficiency Initiatives

Optimization and Operational Efficiency

Installation of double layer kiln technologies

Installation of Variable Frequency Drives (VFD) in motors

Use of energy-efficient motors in Kilns & Horizontal Dryers to reduce electrical power consumption

Waste heat recovery from kilns

Reducing the maximum work pressure of air compressors

Use of high efficacy LED lighting

Reduction in idle running time through automation of product lines

The Company prioritizes energy conservation and emission reduction, focusing on energy efficiency initiatives, transition to renewable energy, and substitution of fossil fuels with cleaner biofuels. Somany Ceramics monitors its energy consumption pattern and conducts energy audits regularly to direct its energy conservation strategy.

Presently, Somany Ceramics has a total installed capacity of 3.5 MW of Solar Energy, with 2.5 MW at Kassar and 1 MW at Kadi. The Company has also accelerated its transition to cleaner biomass-based fuels, such as groundnut cell briquettes, biomass-based pallets, and sawdust, among others. Aligned with its commitment to reducing its carbon footprint, the Company has set a target to enhance the thermal and electrical efficiency of the production process, aiming for a 5% improvement by 2025, compared to the base year 2022-23.

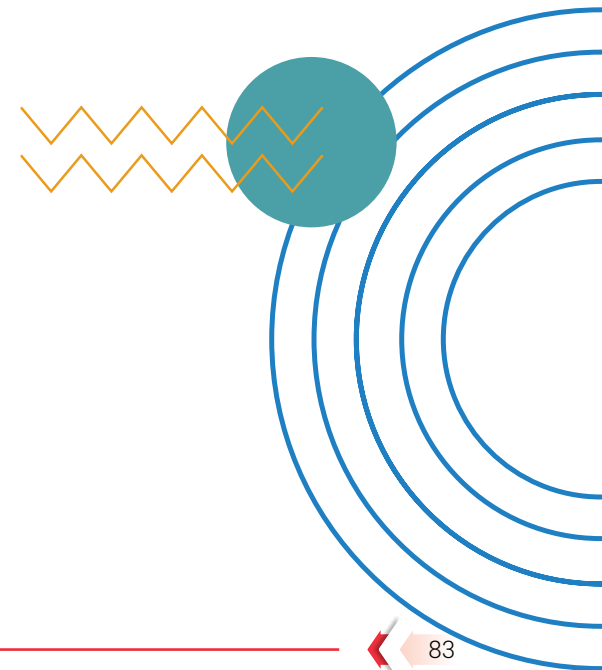
Green House Gas (GHG) Emissions 2022-23

1,00,648
Metric Tons (MT) CO₂ Eq.

SCOPE 1

43,425
Metric Tons (MT) CO₂ Eq.

SCOPE 2 (LOCATION BASED)





Air Emissions

Somany Ceramics closely monitors air emissions from stacks and DG sets. The purpose is to ensure that they remain within prescribed limits and to guarantee the Company's compliance with all statutory norms and regulatory requirements pertaining to air emissions and quality.

Air Emissions 2022-23

35.24 NO_x
Metric Tons (MT)

15.88 SO_x
Metric Tons (MT)

57.19 PARTICULATE
MATTER (PM)
Metric Tons (MT)



Water Conservation

The impacts of water scarcity are increasingly being exacerbated by climate change, and with the understanding that ceramics production is a water-intensive process, the Company has formulated a water conservation strategy. Both of the Company's plants in Kassar and Kadi are Zero-Liquid Discharge (ZLD) i.e., all the wastewater is recycled within the plant premises.

The Company has also adopted a target to improve its water intensity by 6.5% by 2025 (against the base year 2022-23).

Water Withdrawal 2022-23

1,35,268
Kiloliter (KL)

SURFACE WATER

21,627
Kiloliter (KL)

GROUND WATER

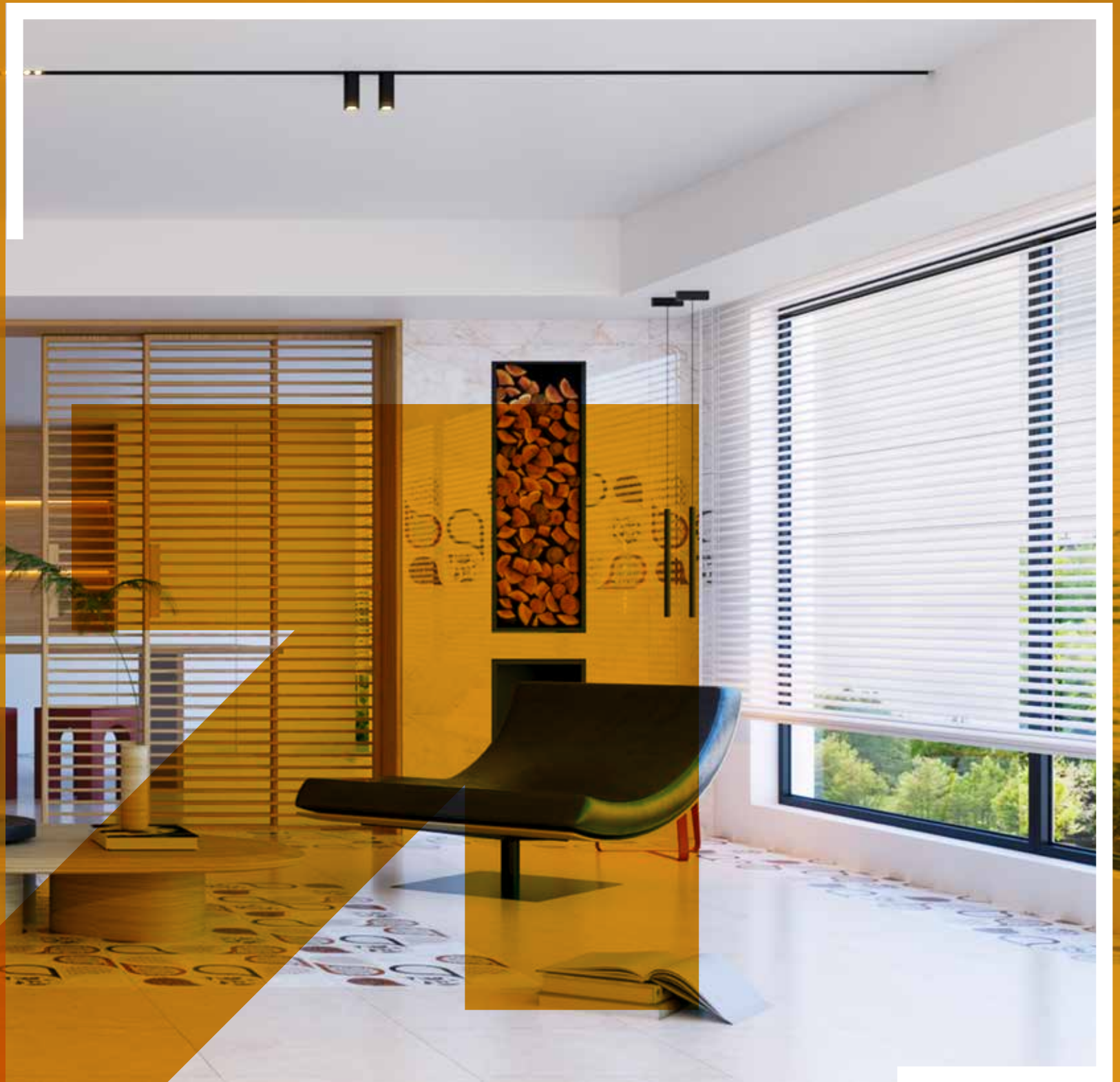
1,04,792
Kiloliter (KL)

THIRD-PARTY WATER



MMDA

MANAGEMENT DISCUSSION & ANALYSIS





Global Economy

The global economy, throughout CY 2022, exhibited impressive endurance in the face of numerous challenges, including escalating geopolitical tensions in Europe as well as rising fuel and input costs. Notwithstanding the peak of inflationary pressures, that reached 8.80% in CY 2022, the global inflation rate is anticipated to decrease in CY 2023 and subsequently in CY 2024, owing to the cooling down of fuel and commodity prices. This moderating effect was a result of the measures undertaken by the major central banks worldwide. For instance, the Federal Reserve raised interest rates to control inflation in the US, projecting a peak rate of 5.75%. Similar actions were taken by the Bank of England, the European Central Bank and the Reserve Bank of India, which have resulted in tighter financial conditions in these economies. Although these actions have led to a slower economic growth, the intended outcome of cooling inflation has been realized. This is expected to ease some of the challenges faced previously and provide some respite to the global economy.

Upon reflecting on the global growth perspective of CY 2022, advanced economies demonstrated impressive growth of 2.70%. Although there may be a temporary decline to 1.30% in CY 2023, the projected growth rate of 1.40% in CY 2024 is indicative of positive signs for the future. In emerging and developing markets, the projected growth for CY 2023 is expected to remain consistent with the growth rate observed in CY 2022 amounting to 4.00%. Looking ahead to CY 2024, the growth rate is anticipated to further improve, reaching 4.20%. These encouraging figures suggest that the global economy remains on track for continued growth and sustained progress.

Performance of Major Economies

The United States

The United States economy grew by 2.20% in CY 2022. However, economic projections indicate a downward trend in

the growth rate for the upcoming years, with an estimated decline to 1.60% in CY 2023 and further to 1.10% in CY 2024.

(source: <https://www.imf.org/en/Blogs/Articles/2023/01/30/global-economy-to-slow-further-amid-signs-of-resilience-and-china-re-opening>)

China

China's economy was impacted by the resurgence of the Covid-19 pandemic in CY 2022, but the country's swift reopening resulted in a quicker-than-expected recovery. As a result, real GDP is projected to increase by 5.20% in CY 2023 and 4.50% in CY 2024, building upon the 3.00% growth observed in CY 2022.

(source: <https://www.imf.org/en/Blogs/Articles/2023/01/30/global-economy-to-slow-further-amid-signs-of-resilience-and-china-re-opening>)

The United Kingdom

The UK economy is expected to contract by 0.3% in CY 2023 before recovering and registering a growth rate of 1.0% in CY 2024. The forecast also indicates a decrease in inflation to 5% by the fourth quarter of CY 2023.

(source: <https://www.britishchambers.org.uk/news/2023/03/bcc-economic-forecast-economy-to-shrink-in-2023-before-rebounding#:~:text=The%20BCC%20expects%20UK%20economy,to%205%25%20by%20Q4%202023.&text=The%20British%20Chambers%20of%20Commerce,the%20final%20quarter%20of%202024.>)

Europe

In Europe, presence of core inflation may lead to tighter financial conditions and subdued short-term growth. On the other hand, real GDP is predicted to witness a flat growth of 0.80% in CY 2023, following a 3.50% growth

in 2022, while further registering a recovery in CY 2024 to attain 1.40% growth.

(source: <https://www.imf.org/en/Blogs/Articles/2023/01/30/global-economy-to-slow-further-amid-signs-of-resilience-and-china-re-opening>)

Germany

The German economy's real GDP in CY 2022 grew by 1.9% and is projected to experience flat growth in CY 2023, reflecting a growth rate of 0.1%. However, in CY 2024, the real GDP is expected to undergo an upturn, with a projected increase of 1.4%.

(source: <https://www.imf.org/en/Blogs/Articles/2023/01/30/global-economy-to-slow-further-amid-signs-of-resilience-and-china-re-opening>)

Indian Economy

In 2020-21, India witnessed multiple intense cascading risk scenarios and a major contraction, mainly driven by the Covid-19

pandemic. Overcoming these overwhelming challenges, the economy experienced a strong recovery in 2021-22, supported by accommodating monetary and fiscal policies and widespread vaccine coverage. The resilience continued despite challenges that included disruptions in supply chains, global monetary policy tightening, and inflationary pressures, as the economy made steady progress and registered a recovery in 2022-23.

Driven by robust domestic demand, significant infrastructure investments, and strong private consumption, India's real GDP grew by 7.2% in 2022-23, as the country sailed through the global turmoil relatively unscathed. Going forward, the economy is expected to grow by 6.50%, signalling a continued upward trajectory for India's economy in 2023-24, despite past challenges, as the existing hardships fail to dampen the fundamental grit. Ongoing structural reforms and policies aimed at promoting investment, productivity and controlling inflationary pressures are

Driven by robust domestic demand, significant infrastructure investments, and strong private consumption, India's real GDP grew by 7.2% in 2022-23, as the country sailed through the global turmoil relatively unscathed. Going forward, the economy is expected to grow by 6.50%, signalling a continued upward trajectory for India's economy in 2023-24

collectively charting a path for India's sustained economic growth.

Analysing the macro parameters, in 2022-23, inflation remained high, hovering above the Reserve Bank of India's (RBI's) upper range at 6.80%, driven largely by steep increases in commodity, food, and fuel prices. However, the RBI's aggressive interest rate hikes totalling 425 basis points since March 2022, have shown signs of reining in inflation and bringing it back within the target band of 2% to 6%. Furthermore, the retail inflation, which is measured by the consumer price index (CPI), slipped to a 16-month low of 5.66% in March 2023 and is further projected to fall to 5.2% in 2023-24.

In terms of fiscal prudence, the Central Government is expected to achieve its fiscal deficit target of 5.90% of GDP in 2023-24, while state government deficits consolidate, together leading to a decline in the general government deficit. Consequently, the debt-to-GDP ratio is projected to stabilize. Additionally, the current account deficit is estimated to narrow down to 2.10% of GDP in 2023-24, driven by robust service exports and a declining merchandise trade deficit.

(source: <https://www.worldbank.org/en/news/press-release/2023/04/04/indian-economy-continues-to-show-resilience-amid-global-uncertainties>)

India's strong economic growth and socio-political stability has turned it into a favoured destination for foreign direct investment (FDI). This is evidenced by the highest-ever gross FDI inflows of USD 84.57 Billion in 2021-2022. However, in the year 2022-23, the gross inflows of FDI dropped to USD 71 Billion. This drop in inflows is attributed to the policy changes of the US Federal Reserve and the ongoing Russia-Ukraine crisis.

(source: <https://timesofindia.indiatimes.com/india/first-dip-in-decade-fdi-inflows-fall-16-in-fy23/articleshow/100459552.cms>)

Under National Monetization Pipeline (NMP), the government expects to monetize asset pipeline aggregating to ₹ 6 Lakh Crores over the four-year period, FY 2022-2025. This initiative aims to leverage the expertise and investment potential of the private sector, as well as generate revenue by monetizing newly constructed infrastructure assets across a range of sectors, including railways, roads, and power. Additionally, the mining sector, which encompasses coal and other minerals, is expected to contribute more than USD 7.25 Billion (₹ 60,000 Crores) towards asset monetization, surpassing the original target of USD 733.12 Million (₹ 6,060 Crores).

(source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894919> <https://www.ibef.org/blogs/asset-monetization-unlocking-capital-for-infrastructure-development>)



The strong growth in tax collection reflects improved business performance in the country amid external headwinds. The revenue collected from the Goods and Services Tax (GST) for March 2023 increased by 13% to reach ₹ 1.60 Lakh Crores. This mop-up can be attributed to various factors, including the Government's efforts to improve tax compliance and the revival of economic activity. As of 31 March, 2023, the provisional net Direct Tax collections for 2022-23 had reached ₹ 16.61 Lakh Crores, reflecting a 17.63% increase from the previous year. This amount surpassed the budgeted estimate of ₹ 16.50 Lakh Crores for Direct Tax revenue in the Union Budget of 2022-23 by 0.69%. Additionally, the Government also introduced measures like a simplified tax filing system and the use of technology to streamline the tax collection process to encourage businesses to comply with GST regulations.

(source: <https://tradingeconomics.com/india/consumer-price-index-cpi> <https://tradingeconomics.com/india/inflation-cpi> <https://currentaffairs.adda247.com/gst-revenue-collection-increases-13-to-rs-1-60-lakh-Crore-in-march-2023/>)

In April 2023, the inflation rate in India experienced a decline, and eased to 4.7%, marking the lowest rate since April 2021. The decrease in inflation was primarily attributed to a notable deceleration in food price inflation. Consequently, the inflation rate moved closer to the Reserve Bank of India's target of 4% while comfortably remaining below the central bank's upper threshold of 6%.

(source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1913403#:~:text=The%20provisional%20figures%20of%20Direct,representing%20an%20increase%20of%2017.63%25,> <https://www.thehindu.com/business/Economy/retail-inflation-slides-to-47-in-april-iip-grows-just-11-in-march/article66842747.ece>)

Government Initiative (Budget Highlights)

The budget for the year 2023-24 outlined seven key priorities, which encompassed green growth, youth empowerment, the financial sector, inclusive development, reaching underprivileged areas, infrastructure and investment, and unlocking the potential of various sectors. A significant highlight of the budget was the notable increase in the Capital Expenditure (Capex) allocation, which surged by 33% to reach 3.3% of the GDP, totaling ₹ 10 Lakh Crores. Furthermore, the effective Capex amounted to 4.5% of the GDP, equivalent to ₹ 13.7 Lakh Crores. This demonstrated the Government's steadfast dedication to investing in infrastructure and stimulating economic growth.

Addressing the needs of Micro, Small, and Medium Enterprises (MSMEs), the budget infused ₹ 9,000 Crores and provided an additional credit guarantee of ₹ 2 Lakh Crores. Additionally, measures were introduced to reduce the cost of credit by approximately 1%, facilitating affordable financing for MSMEs and fostering their growth and development. Moreover, the budget introduced initiatives to bolster financial inclusion and stability. The establishment of a National Financial Information Registry aimed to enhance credit flow efficiency, financial stability, and overall financial inclusiveness. Furthermore, the new tax regime raised the rebate limit to ₹ 7 Lakhs, offering relief to taxpayers and encouraging greater economic participation.

(source: <https://www.hdfclife.com/insurance-knowledge-centre/tax-saving-insurance/union-budget-2023-key-highlights>)

Global Tile Industry

The rising demand for ceramic tiles in recent years can be attributed to several factors, including their affordability, ease of maintenance, and installation, among other benefits. Additionally, changing consumer preferences, demand for variety in designs, sizes and styles, and an upsurge in renovation activities have all played a significant role in driving the market's expansion. Furthermore, the rising applicability of ceramic tiles in public construction projects, such as airports, stations, and schools, as well as in home settings, is fueling the growth of the ceramic tiles market.

When considering regional demand, the Asia Pacific region holds a significant market share for ceramic tiles due to its large population and consequent demand for housing and infrastructure. Reinforcing this trend, countries such as China, India, Indonesia, Thailand, and Vietnam are significant consumers and producers of ceramic tiles. The expansion of the market in this region is driven by rising incomes, and improving standard of living. On the other hand, the North American and European markets are growing at a moderate pace as compared to the Asia Pacific region.

(source: <https://www.thebusinessresearchcompany.com/report/ceramic-tiles-global-market-report>, <https://www.transparencymarketresearch.com/ceramic-tiles-market.html>)

Key Tile Sector Trends

Large Format Tiles

Large-format tiles are increasingly popular in interior design for their impressive appearance. They create a sense of spaciousness by reducing tile joints, especially when using light colors, resulting in a minimalist and classy look. Moreover, they offer a wide range of styles and finishes, from natural stone to bold colors and geometric patterns, allowing for bold and captivating statements in different spaces.

Germ-free tiles:

With the pandemic and other circumstances surrounding it, consumers have become extremely health conscious and hygiene is nowadays playing a huge role in their decisions, hence to adapt to this new mindset, germ resistant tiles have been introduced into the market. These tiles undergo a special treatment known as anti-microbial treatment which inhibits the growth of various bacteria, fungus etc.



Dry Pressed Ceramics

Dry pressed ceramics are becoming a new trend in the tile industry for a number of reasons.

Strength and durability: Dry pressed ceramics are very strong and durable, making them ideal for high-traffic areas such as kitchens and bathrooms. They are also less likely to crack or chip than other types of tiles, such as glazed tiles.

Dimensional accuracy: Dry pressed tiles are very dimensionally accurate, which means that they can be used to create precise patterns and designs. This makes them a good choice for high-end applications such as commercial and residential projects.

Cost-effectiveness: Dry pressed tiles are relatively cost-effective to produce, making them a good option for budget-conscious homeowners.

Environmentally friendly: Dry pressed tiles are often made from recycled materials, making them a more sustainable choice than other types of tiles.

'Green' Construction

The ongoing surge in demand for environmentally friendly ceramic tiles is a testament to the ever-evolving landscape of green building and sustainable construction. As infrastructure projects flourish, architects explore boundless creativity, and international markets embrace green practices, ceramic tiles have risen to prominence as a symbol of durability, aesthetics, and eco-friendliness. The ceramics industry's dedication to meeting these demands has paved the way for a greener and more sustainable future in the realm of construction and design.

The Indian ceramic industry is poised to become the world's largest ceramic producer in coming years.

Indian Tile Industry

Between 2012 and 2021, the production of Indian ceramic tiles experienced significant growth, with a CAGR of 8.6%. The production volume doubled during this period, reaching an impressive 2.5 billion square meters. This expansion was made possible by the establishment of over 900 highly efficient production lines. According to projections from the MECS research center, India's ceramic tile production is expected to continue its upward trajectory, reaching a volume of more than 3.7 billion square meters by 2026, maintaining a steady year-on-year growth rate of nearly 8%.

For the foreseeable future, the majority of this production (about 70%) is likely to be absorbed by domestic demand, indicating a strong domestic market. However, exports are also set to play a significant role, with estimates suggesting that they will exceed 1 billion square meters. The export sector has experienced remarkable growth over the past decade, expanding by an impressive factor of 15, soaring from slightly over 33 million square meters in 2012 to surpassing 483 million square meters in 2021.

(source: <https://ceramicworldweb.com/en/economics-and-markets/india-ceramic-tile-market>)

The ceramic tiles market is experiencing a consistent upward trend, fueled by the recovery of the construction sector

after a prolonged period of decline. The construction industry serves as a crucial catalyst for the expansion of the ceramic tiles market in India. Additionally, the Government of India (GOI) has implemented various programs and investments to promote infrastructure development, further contributing to market growth. Notably, initiatives such as the Pradhan Mantri Awas Yojana (PMAY) and the Smart Cities Mission are anticipated to significantly boost the demand for ceramic tiles in India.

(source: <https://www.imarcgroup.com/india-ceramic-tiles-market#:~:text=Market%20Overview%202023%2D2028%3A,to%20reach%201%2C451.9%20Million%20Sq>)

Going forward, the Indian ceramic industry is poised to become the world's largest ceramic producer in coming years. The sector has already established itself as a major global player in the ceramic tile market, second only to China in terms of manufacturing, consumption, and export. This expansion is being driven by India's expanding urbanization and construction activity, leading to a surge in demand for various types of tiles, particularly glazed vitrified tiles. These tiles are popular among customers because they are incredibly durable and have a visually attractive appearance. The development of glazed vitrified and full-body vitrified tiles has provided a tremendous impetus to the industry, with vitrified tiles often hailed as the 'tiles of the future'.

(source: <https://www.thetilesindia.com/tile-news/indian-ceramics-asia-2023/>, <https://viterotiles.com/blog/indian-tile-industry-2021>)

Global Sanitaryware and Bath Fittings Market

The worldwide bathroom fittings industry is set to experience significant growth between 2023 and 2028. Starting at a value of USD 53.3 billion in 2022, the market is projected to reach USD 79.1 billion by 2028, reflecting a CAGR of 6.9% during the forecast period.

(source: <https://www.imarcgroup.com/bathroom-fittings-market#:~:text=The%20global%20bathroom%20fittings%20market,6.9%25%20during%202023%2D2028>)

The growth in the global sanitaryware and bath fittings market is being driven by a number of factors, including rising infrastructure development, the growing popularity of smart homes, and changes in residential interior design trends. Furthermore, the market is anticipated to grow with the advent of smart bathroom fittings with unique features such as water flow control, lighting adjustment, and music playing. Add to that a rise of related sectors and infrastructure development in the hospitality sector, which are further propelling the growth of the bathroom fittings market. The global outbreak of Covid-19 has had a profound impact on



emphasizing the importance of hygiene, consequently resulting in an increased demand for showers and faucets worldwide. Moreover, the usage of novel materials, such as plastics, metals, and glass, in the production of sanitaryware, is further adding to the market expansion.

As the global sanitaryware and bath fittings market continues to expand, several major trends have emerged worldwide. Specifically, the Asia Pacific (APAC) region for bathroom accessories is expected to experience significant growth due to factors such as urbanization, changing demographics, and increased investments by millennials on home improvement products and contemporary interior designs in both developed and developing economies. The region's strong economic expansion, combined with government initiatives and manufacturing activities, are projected to grow the market further.

(source: <https://www.mordorintelligence.com/industry-reports/bath-fittings-and-accessories-market>)

Indian Sanitaryware and Bath Fittings Market

The Indian sanitaryware and bath fittings market is experiencing significant growth due to various factors such as rapid urbanization, increasing disposable income, growing awareness about hygiene and sanitation, and government initiatives promoting housing and infrastructure development. In addition to this, consumers in India are increasingly demanding sustainable products, and ceramic sanitaryware manufacturers are responding by developing products that are made with recycled materials or that use environmentally friendly manufacturing processes. Among the major trends, demand for large format, eco-friendly, smart and customized sanitaryware are driving the market which expected to reach USD 1651.9 million by 2027, growing at a CAGR of 7.4% between 2021 and 2027.

(Source: [blueweaveconsulting.com](https://www.blueweaveconsulting.com/).)



India is undergoing a notable transition towards an enhanced quality of life and rapid urbanization, resulting in a notable increase in the need for top-notch bathroom fixtures. This trend is particularly prominent in urban regions, where the construction of visually appealing and technologically advanced residential complexes is flourishing. Consequently, consumers are seeking premium domestic appliances, including cutting-edge products such as sensor taps, smart showers/mixers, and automatic soap dispensers, to add a touch of sophistication to their homes.

(source: <https://www.mordorintelligence.com/industry-reports/india-bath-fittings-market>)

Indian Real Estate Market

The Indian economy's robust growth is exerting a positive influence on various sectors, including the real estate market, which is expected to maintain its upward trajectory in the upcoming years. Several key factors contribute to this growth, such as increased demand for residential and commercial properties and the development of Tier 2 and Tier 3 cities. In December 2022, residential demand in the top eight Indian cities witnessed a residential sales of 312,666 units, registering a growth of 34% YoY, reflecting a shift in attitudes towards home ownership and the rise in household income.

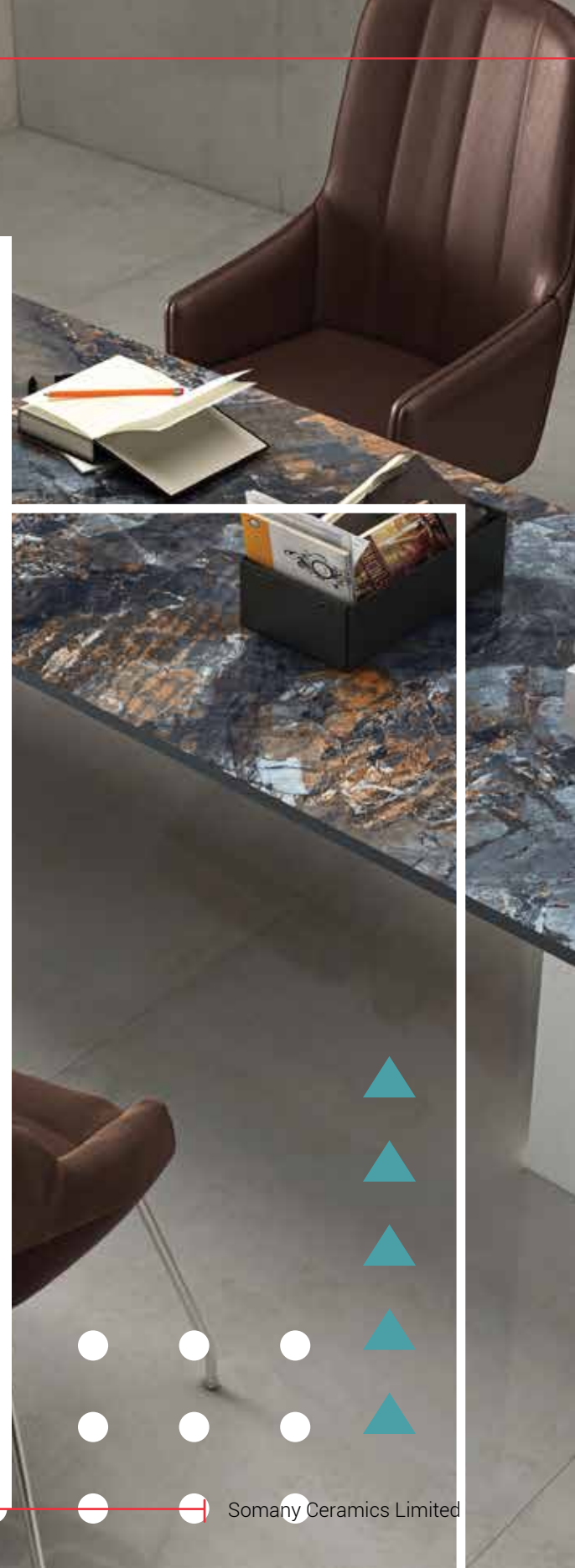
Similarly, the commercial real estate industry is poised for growth in 2023, fueled by the sustained demand for office space in India,

driven by the country's status as a global outsourcing and offshoring hub, as well as its thriving innovation ecosystem. Net absorption levels in the sector are projected to match the pre-Covid five-year average, indicating ample room for expansion in the year ahead.

The Indian real estate market has also benefited from increased transparency and returns, resulting from higher levels of private investment in the sector. Institutional investments in Indian real estate experienced a 20% growth in 2022, reaching USD 4.9 billion compared to USD 4.08 billion the previous year.

Projections suggest that by 2040, the real estate market in India will reach ₹ 65,000 Crores (USD 9.30 billion) compared to ₹ 12,000 Crores (USD 1.72 billion) in 2019. Furthermore, the market size of the real estate sector is expected to reach USD 1 trillion by 2030, up from USD 200 billion in 2021, making a significant contribution of 13% to the country's GDP by 2025. With an increase in supply, the residential sector is well-positioned for long-term expansion, while the commercial sector is also expected to thrive. Factors such as the rise of nuclear families, rapid urbanization, and increasing household income will continue to drive growth in all sectors of real estate, including residential, commercial, and retail.

(source: <https://www.financialexpress.com/money/residential-sales-in-top-8-cities-at-nine-year-high-in-2022-knight-frank-india/2942300/>, <https://indianexpress.com/article/business/institutional-investments-retail-real-estate-jumps-over-6-fold-usd-492-mn-2022-report-8372296/>, <https://www.ibef.org/industry/real-estate-india> <https://www.livemint.com/news/india/residential-sales-of-india-s-top-8-cities-hit-9-year-high-in-2022-office-leasing-sees-2nd-best-year-11673344440882.html>)



Demand Drivers for Tile and Bath Fittings



Residential Sector

Demand for Affordable Housing:

The Government's Pradhan Mantri Awas Yojana has emerged as a key catalyst in the affordable housing segment, aiming to achieve the target of providing affordable housing for all. Thus, creating more demand for the tile and bath fitting products.

Per Capita Consumption of Tiles:

In 2020, India's per capita tile consumption was only 0.6 square metres, compared to China's 4.0 square metres, Brazil's 3.4 square metres, and the global average of 1.4 square metres. This indicates that India's tile consumption has huge potential for expansion.



Commercial Sector

Growth in Market Size:

The market size of the commercial real estate sector in India is projected to be USD 67.08 billion in 2023 and is anticipated to expand to USD 223.25 billion by 2028, exhibiting a remarkable compound annual growth rate (CAGR) of 27.19% during the forecast period from 2023 to 2028.

(source: <https://www.mordorintelligence.com/industry-reports/commercial-real-estate-market-in-india/market-size>)

Growth of Retail Sector:

The Indian retail sector is experiencing significant growth, driven by the domestic market, with future growth expected due to increasing consumer income and urbanization, especially in Tier 2 and Tier 3 cities. The Government's initiatives, such as raising the tax threshold, and providing credit initiatives for MSMEs, are expected to drive the retail sector upward, allowing retailers to expand their operations and improve their competitiveness. The growth of the retail sector is further getting translated into the increased demand for tiles and bath fittings products in India.

(<https://retail.economictimes.indiatimes.com/blog/how-budget-2023-24-can-accelerate-growth-in-the-retail-industry/97157356>)

Growth of Hospitality Sector:

Several factors are set to fuel growth in India's hospitality sector in 2023. The hospitality sector is expected to benefit from a rebound in the office leasing market, as demand for business travel and corporate events is expected to increase in coming years. Additionally, rising disposable incomes and favorable ease-of-doing-business policies are projected to boost the hospitality sector's growth, paving the way for further growth in tiles and bath fittings sector.



Government Initiatives

Boost to PMAY-U:

Under the Pradhan Mantri Awas Yojana Urban (PMAY-U), a significant achievement has been made with the sanctioning of a total of 1.20 Crore houses. As of March 2023, over 72.56 Lakhs houses were successfully completed, accompanied by central assistance amounting

to ₹ 1.42 Lakh Crores. Furthermore, the Government has extended the scheme's duration to fulfill its objective of constructing over 2.95 Crore durable houses by 31 March, 2024.

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

Swahim Fund:

SWAHIM Fund, that aims to provide financing to stalled mid-income and affordable housing projects in India, received a total of ₹ 2,646.57 Crores from the Government as of 17 March, 2023. This infusion of funds has proven instrumental in reviving stalled projects and has facilitated the construction of over 22,500 homes that meet the eligibility criteria set forth by the fund.



Financial

Rising Income Levels:

India's GDP per capita is projected to climb from USD 2,278 in 2022 to USD 5,242 in 2031. This anticipated growth is expected to drive investment in the housing sector, subsequently fostering a sense of pride among Indians as they experience an improvement in their quality of life. As a result, there is likely to be an upsurge in the demand for tiles and bath fittings as people seek to enhance their homes.

(source: <https://www.businessinsider.in/india/news/india-on-track-to-become-third-largest-economy-by-2030-morgan-stanley/articleshow/95248406.cms>)

Housing Loan:

In a bid to promote home ownership and enhance accessibility to home loans, the RBI increased the Loan to Value (LTV) Ratio to 90% for home loans below ₹ 30 Lakhs. Earlier, 90%

LTV was allowed only for loans up to ₹ 20 lakhs. For loans above ₹ 75 Lakhs, the LTV ratio stands at 75%. These measures, combined with affordable housing options, favorable tax incentives, and increasing household incomes, are anticipated to stimulate growth in the tile market.

(source:https://www.hdfcbank.com/personal/resources/learning-centre/borrow/home-loan-rules-and-regulations-in-india?2E36B353-120A-EA4C-9738-17AFEC2FAD17_kis_cup_C6FA3ED5_6D17_47D1_B6E2_F4B02CC905E0)

Demographics

Growing Population:

India's population, which is currently around 1.42 billion, is expected to hit 1.5 billion by the end of 2023. With this significant rise in population, there will be increased demand for both residential and commercial spaces, prompting growth in the real estate industry. This growth will propel the progress in tiles and bath fittings sector as well.

Urbanization:

The growing rural-urban migration and the effect of economic development on income levels in urban centers are the two most important drivers of real estate demand. According to the World Bank and the United Nations, India's urban population was approximately 35% in 2021 and is expected to rise in the foreseeable future. This translates into higher demand for tiles and allied products.

Youth Populace:

With over 50% of its population below the age of 25 and approximately 65% below the age of 35, India stands as one of the world's

largest population of young individuals. Benefitting from their optimistic and ambitious mentality, India's young population actively contributes to the development of the real estate industry, resulting in a surge in demand for real estate properties and materials used for home furnishings.

Lifestyle Trends

Simplified Home Maintenance:

Large format ceramic tiles are becoming increasingly popular due to their modern and minimalist appearance, durability, and ease of maintenance. They have fewer grout, which makes cleaning simpler. Furthermore, they are adaptable and can be used both indoors and outdoors, thus multiplying their usability quotient.

Biophilia:

In line with the wellness design industry, ceramic tile designs are embracing a shift towards a more natural wood appearance. This approach aims to evoke a sense of nature and tranquility. Ceramic tiles, known for their sustainability and versatility, offer an excellent option for replicating the look of natural

stones. The incorporation of these nature-inspired designs aligns with the prevailing trend towards wellness design, which has experienced significant growth since the onset of the pandemic.

Water Conservation:

The increasing awareness of the significance of sustainable water utilization has resulted in a robust rise in customer preferences for water-saving products. As a result, many companies have developed eco-friendly sanitaryware and bath fittings to meet the requirements of individuals and organizations. This demand for water conservation has fuelled the expansion of the industry, leading to the development of effective and sanitary products that not only meet customer needs but also promote sustainable living.

Personalised Fittings:

As people's income and aspirations grow, they are more inclined towards high-end products, even though prices remain relatively steady. This inclination can be seen in the increasing desire for personalized ceramic goods like artisanal tiles.



Future Outlook of Tile and Bathware Market



Population growth

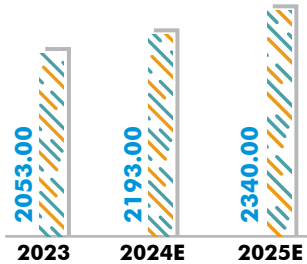
1.417 BILLION,
POPULATION
OF INDIA, 2023

1.5 BILLION,
POPULATION
OF INDIA, 2030

(Source: worldometers.info)



Per capita income



USD, INDIA'S GDP PER CAPITA

(Source: Trading Economics)



Age of home ownership

23-25 AVERAGE AGE
OF HOME
BUYERS IN 2023E

(Source: Outlook India)



Urbanization

35
% OF THE INDIAN
POPULATION THAT
IS URBAN, 2022

50
% OF THE POPULATION
WOULD RESIDE IN
URBAN INDIA BY
2030E

60
% OF THE POPULATION
THAT COULD RESIDE
IN URBAN INDIA,
2050E

57
% OF THE GLOBAL
POPULATION THAT
IS URBAN, 2022

68
% OF THE GLOBAL
POPULATION THAT
IS URBAN, 2050

48
million PEOPLE IN INDIA
WHO LIVED IN CITIES
IN 2020

61
million PEOPLE IN INDIA
WHO MAY LIVE IN
CITIES IN 2030E

877
million PEOPLE IN INDIA
WHO COULD LIVE
IN CITIES, 2050E

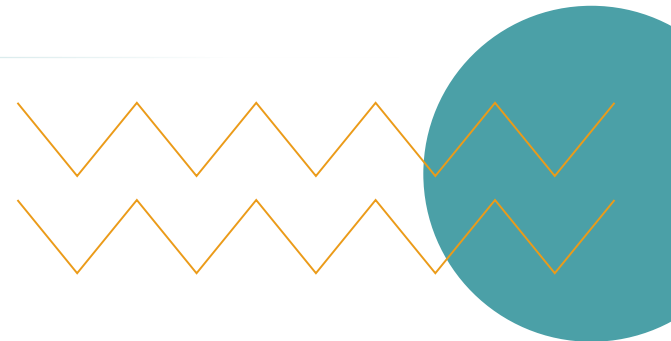
(Source: The Hindu Business Line, Mint, Statista)



Millennial advantage

440 MILLENNIAL
POPULATION IN
INDIA, 2023
(Source: Financial Express)

2.5
trillion USD, SPENDING
CAPACITY
OF INDIAN
MILLENNIALS,
2023E
(Source: business wire)



Opportunities

The coming year presents a plethora of opportunities for the tiles and bathware market which is set to benefit the Company as well as the industry. One potential factor, boosting the prospect, is the reduction of supply chain disruptions, translating into lower freight costs and increased profitability. Moreover, reduced natural gas prices led to lower manufacturing costs, boosting the market competitiveness of products.

The Government's focus on infrastructure development through rising capital expenditure will serve as a catalyst for

private players to augment their own capital expenditure. Further, rising awareness towards sustainability and sustainable products is set to drive the demand for eco-friendly building materials. This will provide vast opportunities to capitalize on.

Additionally, new technologies such as 3D printing may result in the development of new products and more efficient manufacturing methods. Moreover, rapid urbanization in India will continue to uplift demand for residential and commercial constructions, resulting in increased demand for building materials. These variables, if combined with macroeconomic factors, set in motion a huge

development potential in India's building material business in 2023.

Threats

Alongside the multiple opportunities, the building material sector in India, particularly the ceramic industry and bathware sector, faces a range of challenges as well. These challenges include competition from the unorganized sector, which poses a threat to the organized players. Additionally, the sector faces unstable input costs, which can negatively impact profitability. Furthermore, there are macroeconomic volatilities, including currency fluctuations, that can affect the sector.



Company's Product Vertical

Ceramic tiles

3

MANUFACTURING FACILITIES

~30
msm

MANUFACTURING CAPACITY

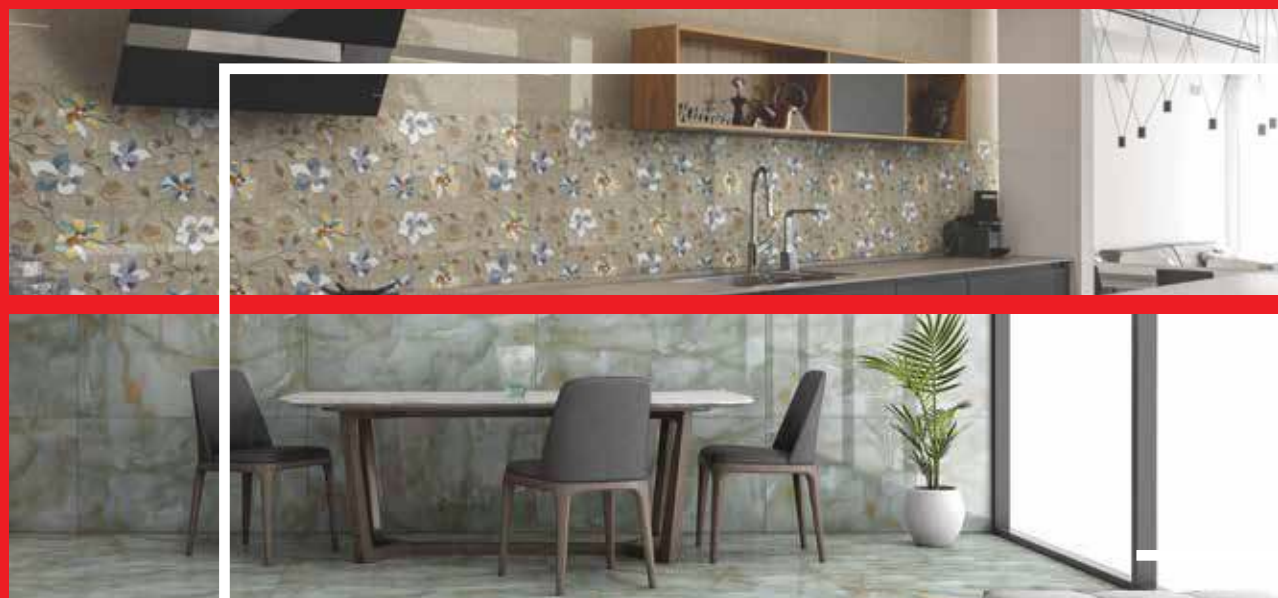
Polished vitrified tiles

4

MANUFACTURING FACILITIES

~15
msm

MANUFACTURING CAPACITY



Besides, environmental regulations and changing consumer preferences pose a threat to the sector. With the rising awareness of environmental issues, consumers are displaying an escalating preference for eco-friendly building materials, which could lead to a shift in demand away from traditional materials. Supply chain disruptions, such as those caused by the Covid-19 pandemic, can also have a negative impact on the sector.

To overcome these challenges and remain resilient in the future, the sector should demonstrate innovation, proactively seek alternative fuel sources, diversify revenue streams. In order to maintain a strong position

in the coming years, the industry must also possess flexibility and adaptability to navigate evolving economic circumstances. Likewise, it is crucial for the Company to possess the agility and foresight to effectively address present and future challenges.

Company Overview

Somany Ceramics Limited (hereon referred to as 'Somany Ceramics' or 'the Company'), a leading ceramic and tile manufacturer, has emerged as an internationally acclaimed

organization that specializes in the manufacture of ceramic tiles, sanitaryware and bath fittings. The Company offers a wide range of products at various price points, positioning itself as a premium brand that delivers innovative, high-quality solutions for both residential and commercial customers.

The Company offers a diverse range of products including ceramic tiles, vitrified tiles in glazed and non-glazed forms, sanitaryware, bath fittings and porcelain floor tiles that come in different textures, shapes, and sizes.

Glazed vitrified tiles

3

MANUFACTURING FACILITIES

~17
msm

MANUFACTURING CAPACITY



Bathware (Comprises faucets and sanitaryware)

MORBI
(Gujarat)

SANITARYWARE
MANUFACTURING
FACILITY

0.78
million pcs

MANUFACTURING
CAPACITY

DERABASSI
(Punjab)

FAUCETS
MANUFACTURING
FACILITY

1.30
million pcs

MANUFACTURING
CAPACITY

Standalone Financial Overview

In the fiscal year 2022-23, the Company's revenues from operations experienced a growth of 17.8%, amounting to ₹ 2,44,270 Lakhs, compared to ₹ 2,07,380 Lakhs in the year 2021-22. Other income of the Company, which was ₹ 2,768 Lakhs, contributed 1.1% to the total revenues, indicating the Company's focus on its core business operations.

Expenses: The Company's total expenses increased by 18.6% from ₹ 1,97,896 Lakhs in 2021-22 to ₹ 2,34,750 Lakhs in 2022-23, which was aligned with the Company's growth. Material costs (including purchases of traded goods) which constituted 64.6% of the Company's revenues, increased by 20.2% from ₹ 1,34,026 Lakhs in 2021-22 to ₹ 1,61,101 Lakhs in 2022-23. The Company's employees' expenses, accounting for 8.9% of the revenues, increased by 16.9% from ₹ 18,575 Lakhs in 2021-22 to ₹ 21,713 Lakhs in 2022-23. Additionally, the Company's power and fuel costs increased by 44.1% from ₹ 22,193 Lakhs in the 2021-22 to ₹ 31,984 Lakhs in 2022-23.

Analysis of the Balance Sheet

Sources of Funds

As of year ending on 31 March, 2023, the Company's capital employed increased from ₹ 94,169 Lakhs in 2021-22 to ₹ 98,176 Lakhs. Additionally, the Company's net worth increased from ₹ 70,403 Lakhs to ₹ 78,321 Lakhs in the same period, mainly due to increased reinvestment of earnings. The Company had 4,24,74,208 equity shares of ₹ 2 each in the fiscal year under review. Furthermore, the Company's long-term debt decreased by 54.8% to ₹ 801 Lakhs on 31 March, 2023, primarily due to debt repayment. The long-term debt-equity ratio also improved to 0.01x in 2022-23 from 0.03x in 2021-22. Additionally, the Company's finance cost decreased by 8.3%, from ₹ 859 Lakhs to ₹ 787 Lakhs in 2022-23, mainly due to debt repayment.

Applications of Funds

The Company's gross block (including CWIP) increased by 3.8% from ₹ 64,625 Lakhs as of 31 March, 2022, to ₹ 67,074 Lakhs as of 31 March, 2023, due to investments in production capabilities. Additionally, the depreciation and amortization decreased by 6.9% from ₹ 4,682 Lakhs in the fiscal year 2021-22 to ₹ 4,357 Lakhs in 2022-23.

Investments

The Company's non-current investments increased from ₹ 9,620 Lakhs on 31 March, 2022, to ₹ 13,160 Lakhs on 31 March, 2023.

Working Capital Management

As of 31 March, 2023, the Company's current assets increased by 9.6% from ₹ 61,898 Lakhs in the previous year to ₹ 67,881 Lakhs. However, the inventory levels of the Company, which include raw materials, work-in progress, and

finished goods, increased by 48.7% from ₹ 14,877 Lakhs to ₹ 22,125 Lakhs in 2022-23. The inventory turnover cycle increased from 26 days in 2021-22 to 33 days in 2022-23. Furthermore, the Company's debtors' turnover cycle also improved from 42 days to 39 days, with a total of ₹ 26,184 Lakhs in 2022-23 compared to ₹ 23,449 Lakhs in 2021-22.

However, the loans and advances made by the Company increased by 174.3 % from ₹ 175 Lakhs as of 31 March, 2022 to ₹ 480 Lakhs as of 31 March, 2023.

Margins

The Company's EBITDA margin declined by 125 basis points, from 7.3% in 2021-22 to 6.0% in 2022-23. Similarly, the net profit margin also decreased by 55 basis points, falling from 4.3% in 2021-22 to 3.7% in 2022-23.

Key Numbers

PARTICULARS	2022-23	2021-22
DEBTORS' CYCLE (DAYS)	39	42
INVENTORY CYCLE (DAYS)	33	26
INTEREST COVERAGE RATIO (X)	16.61	14.61
CURRENT RATIO (X)	1.19	1.20
EBITDA/TURNOVER (%)	6.04	7.29
DEBT-EQUITY RATIO (X)	0.22	0.31
NET PROFIT MARGIN (%)	3.71	4.26
RETURN ON NET WORTH (%)	12.11	13.30
BOOK VALUE PER SHARE (₹)	184.4	165.75
EARNINGS PER SHARE (₹)	21.21	20.67

Consolidated Financial Overview

In the fiscal year 2022-23, the Company's revenues from operations experienced a growth of 18.3 %, amounting to ₹ 2,47,851 Lakhs, compared to ₹ 2,09,446 Lakhs in the year 2021-22. Other income of the Company, which was ₹ 1,454 Lakhs, contributed 0.6 % to the total revenues, indicating the Company's focus on its core business operations.

Expenses: The Company's total expenses increased by 21.0 % from ₹ 1,98,152 Lakhs in 2021-22 to ₹ 2,39,802 Lakhs in 2022-23, which was aligned with the Company's growth. Material costs (including purchases of traded goods) which constituted 47.6 % of the Company's revenues, increased by 26.2 % from ₹ 93,495 Lakhs in 2021-22 to ₹ 1,18,012 Lakhs in 2022-23. The Company's employees' expenses, accounting for 12.2 % of the revenues, increased by 17.1 % from ₹ 25,712 Lakhs in 2021-22 to ₹ 30,115 Lakhs in 2022-23. Additionally, the Company's power and fuel costs increased from ₹ 48,097 Lakhs in the 2021-22 to ₹ 65,323 Lakhs in 2022-23.

Key Numbers

PARTICULARS	2022-23	2021-22
DEBTORS' CYCLE (DAYS)	40	42
INVENTORY CYCLE (DAYS)	58	48
INTEREST COVERAGE RATIO (X)	3.35	5.26
CURRENT RATIO (X)	1.11	1.16
EBITDA/TURNOVER (%)	7.66	9.92
DEBT-EQUITY RATIO (X)	0.62	0.66
NET PROFIT MARGIN (%)	2.90	4.26
RETURN ON NET WORTH (%)	9.85	12.29
BOOK VALUE PER SHARE (₹)	185.28	171.00
EARNINGS PER SHARE (₹)	16.83	20.88

Analysis of the Balance Sheet

Sources of Funds

As of year, ending on 31st March 2023, the Company's capital employed increased from ₹ 1,34,277 Lakhs, registered in 2021-22 to ₹ 1,40,724 Lakhs. Additionally, the Company's net worth increased from ₹ 72,630 Lakhs to ₹ 78,697 Lakhs in the same period, mainly due to increased reinvestment of earnings.

Furthermore, the Company's long-term debt increased by 6.0 % to ₹ 18,511 Lakhs on 31 March, 2023. The long-term debt-equity ratio remained unchanged and was seen at 0.24x in 2022-23. Additionally, the Company's finance cost increased by 36.2 %, from ₹ 2,964 Lakhs to ₹ 4,036 Lakhs in 2022-23.

Applications of Funds

The Company's gross block (including CWIP) increased by 9.9 % from ₹ 1,23,708 Lakhs as of 31 March, 2022, to ₹ 1,35,954 Lakhs as of 31 March, 2023, due to investments in production capabilities. Additionally, the depreciation and amortization decreased by 6.1 % from ₹ 6,395 Lakhs in the year 2021-22 to ₹ 6,785 Lakhs in 2022-23.

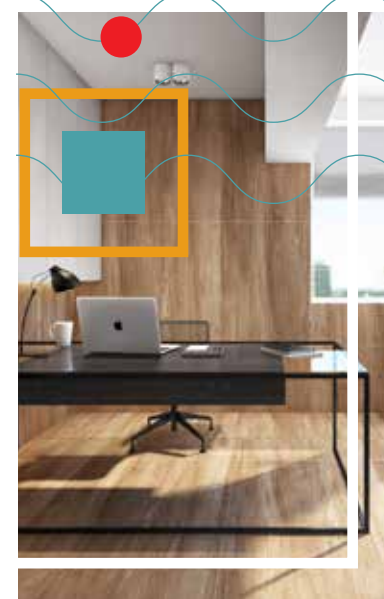
Working Capital Management

As of 31 March, 2023, the Company's current assets increased by 14.4 % to ₹ 89,940 Lakhs from ₹ 78,602 Lakhs in

the previous year. However, the inventory levels of the Company, which include raw materials, work-in-progress, and finished goods, increased by 43.0 % from 27,367 Lakhs to 39,148 Lakhs in 2022-23. The inventory turnover cycle increased to 58 days in 2022-23 from 48 days in 2021-22. Furthermore, the Company's debtors' turnover cycle also improved from 42 days to 40 days, with a total of 26,831 Lakhs in 2022-23 compared to ₹ 23,684 Lakhs in 2021-22.

Margins

The Company's EBITDA margin declined by 226 basis points, from 9.9% in 2021-22 to 7.7% in 2022-23. Similarly, the net profit margin also decreased by 136 basis points, falling from 4.3% in 2021-22 to 2.9% in 2022-23.



Human Resource

In today's fiercely competitive business landscape, Somany Ceramics exemplifies a profound understanding of the pivotal role played by its human resources in driving success. Recognizing that employees are the heart and soul of any organization, Somany Ceramics has taken a holistic approach to strengthen its workforce. By adopting best practices and implementing Standard Operating Procedures (SOPs) across various functions, the Company ensures that each team member operates with the same level of efficiency and consistency, thereby optimizing overall performance.

However, Somany Ceramics doesn't rest on its laurels; it actively embraces innovation to future-proof its human resources. Understanding the paramount importance of employee skill development, the Company has taken the lead in the industry by launching a cutting-edge e-learning portal. This dynamic platform not only empowers employees to keep pace with changing market dynamics and consumer aspirations but also fosters a culture of curiosity and lifelong learning within the organization.

The accolade received from the Confederation of Indian Industry (CII) for 'Significant Excellence in HR Practices' serves as a testament to Somany Ceramics' unwavering dedication to nurturing its employees and fostering a workplace that thrives on innovation, inclusivity, and empowerment.

Moreover, in its pursuit of excellence, Somany Ceramics has embraced technology

to streamline its HR processes. The conceptualization and implementation of a sophisticated cloud-based software have revolutionized HR management, automating key result areas, reducing manual intervention, and increasing overall process efficiency.

Audit Discipline

Somany Ceramics demonstrates an unyielding commitment to a comprehensive and robust risk management framework, strengthened by a meticulously designed internal control system. This hallmark of the Company's corporate culture reflects a profound dedication to excellence and foresight.

Central to this formidable risk management approach is the establishment of a highly proficient internal audit committee, comprising of distinguished Independent Directors. Operating with utmost diligence, this committee maintains transparency and rigorously safeguards the organization against any potential forms of manipulation. It diligently reports its findings to the Board quarterly, empowering stakeholders to make informed decisions in the dynamic landscape of risks.

Complementing this structure, Somany Ceramics conducts weekly executive committee meetings, where visionary leaders collaborate harmoniously, devising ingenious strategies to proactively mitigate emerging risks. This collective genius enables the Company to anticipate challenges, preempt threats, and navigate complexities with unparalleled acumen. The committee's dedication extends

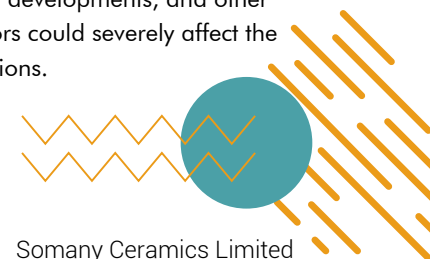
to addressing compliance concerns, fortifying the Company's operational resilience.

Embodying a corporate ethos resonating with innovation, Somany Ceramics recognizes that risk management transcends mere compliance—it forms an integral pillar supporting a robust and sustainable business model. This commitment to ethics, responsible governance, and sagacious decision-making is woven into the fabric of the organization.

Harnessing the collective might of its visionary minds, Somany Ceramics forges an indomitable bond with stakeholders, establishing trust and fostering transparency. The Company's focus on accountability engenders admiration and respect from the industry.

Cautionary Statement

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



Board's Report

Dear members,

Yours Directors have pleasure in presenting their 55th Board's Report together with the Annual Audited Financial Statements of the Company for the year ended 31 March, 2023.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31 March, 2023	Year Ended 31 March, 2022	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Revenue from operations	244,270.07	207,380.24	247,850.73	209,446.05
Other Income	2,768.14	2,211.57	1,454.27	1,341.92
Expenses (except Depreciation, Finance cost)	229,605.98	192,355.56	228,980.33	188,792.51
Profit Before Depreciation, Interest and Taxes (Before exceptional item)	17,432.23	17,236.25	20,324.67	21,995.46
Profit before Tax (after Exceptional item)	12,191.58	11,695.55	9,285.75	12,636.25
Tax Expenses	3,183.11	2,916.78	2,594.09	3,294.62
Profit After Tax	9,008.47	8,778.77	6,691.66	9,341.63
Profit After Tax (attributable to controlling interest)	9,008.47	8,778.77	7,149.16	8,868.71
Profit After Tax (attributable to non-controlling interest)	-	-	(457.50)	472.92
Transferred to General Reserve	-	-	-	-

FINANCIAL REVIEW

(The financial discussion is based on Standalone Financial Statements)

There were lot of challenges on account of economic uncertainties all around the world including severe volatility in gas prices. These uncertainties led to a significant increase in input costs in general and energy cost in particular. This affected the financial performance of your Company adversely, causing pressure on margins. Despite all the odds your Company was able to end the year on a positive note and demonstrated the resilience of brand SOMANY.

Our revenue increased by 17.8% to ₹2,44,270.07 Lakhs in 2022-23 from ₹2,07,380.24 Lakhs in FY22 in line with the improvement in overall market demand. The Profit before Interest, Depreciation and Tax and exceptional item, Profit before Tax (PBT) after Exceptional item and Profit after Tax (PAT) for the year under review, were ₹17,432.23 Lakhs, ₹12,191.58 Lakhs and ₹9,008.47 Lakhs respectively.

The marginal decline in profit margin is on account of the sharp increase in inputs costs primarily led by gas price. On the Balance Sheet front, your Company's Net Worth increased to ₹78,320.80 Lakhs in 2022-23 as compared to ₹70,403.15 Lakhs in FY22. The Company's total debt

decreased to ₹17,612.9 Lakhs in 2022-23 as compared to ₹21,484.11 Lakhs during FY22 on repayment of term loan and reduction in short term borrowings. The net block of your Company marginally increased to ₹46,247.79 Lakhs during 2022-23 as compared to ₹45,854.58 Lakhs during FY22. The long-term investment increased to ₹13,159.78 Lakhs in 2022-23 from ₹9,619.78 Lakhs in FY22 primarily due to investments in a new subsidiary, which is setting up manufacturing plant of large format tiles/ slabs.

The Company's net current assets (adjusted) increased to ₹13,570.57 Lakhs during 2022-23 from ₹11,774.71 Lakhs during FY22, inline with the increase in the scale of operations.

CORPORATE HIGHLIGHTS

Access to Capacity

During the year under review, your Company had increased its capacity in tiles significantly by way of expansion/ modernisation at three different locations. As a result, the access to tile capacity increased to ~76 million square meters (msm) divided amongst its own plants (33.45 msm), subsidiaries/associates (28.41 msm) and other outsourcing tie-ups (~14 msm).

In the Bathware segment, your Company had manufacturing capacity of 0.78 million pieces per annum of sanitaryware and 1.13 million pieces per annum of bath fitting items in its subsidiaries. The capacity of bath fittings plant doubled from 0.65 to 1.13 million pieces per annum during the year.

Capital Expenditure

Your Company continues to invest in additional capacity and upgrading its plant & machinery and infrastructure. Gross block increased (including capital work-in-progress) by ₹ 3228.34 Lakhs (previous year ₹ 7,569.15 Lakhs) on account of addition in fixed assets.

Branding and Distribution

The era of COVID-19 pandemic has accelerated the shift towards digital marketing and performance marketing. We are also increasing targeted local marketing and footprint expansion of franchised stores for experiential purchase. The focus has been to build top-of-mind recall and brand awareness through advertising with a data-driven approach, leveraging multiple mediums and channels that resonates with our target audience and differentiates us from the competition.

To maintain our leadership position we adopted an advertising strategy that focuses on expanding our market reach to new markets and customers in tier 3 and 4 markets using traditional media. In the FY 2022-23, we showcased our TVC with celebrity Salman Khan for a period of 5-weeks on air TV campaign in the News Genre, targeting channels in HSM (Hindi Speaking markets). The campaign started on 12 November, 2022 and was aired across leading News channels, including Aaj Tak, India TV, News 18, Zee News, ABP news, Kanak News, O TV, PTC News, Republic Bharat, Saam TV and TV 9. The campaign went live with a 360-degree approach across multiple platforms, including TV, digital & social media, and outdoors, and was successful in reaching our target audience and attracting newer prospects to grow our captive base and increase overall market penetration. The campaign gained significant eyeballs which helped to elevate top of mind brand recall and drive consideration.

In the field of digital, we have focused on social media engagement, display & search, performance marketing and revamped our website with user friendly interface and experience, making it more engaging, informative, and easy to navigate. Our efforts have been directed towards making our creatives more aspirational, resulting in improved overall engagement. We have also implemented a CRM process to deliver and nurture leads in real-time in collaboration with our CRM team. Furthermore, we have executed Hero Hub campaigns, including TVC ads targeted at select geo-tagged audience, resulting in a reach of 10.5 million people, 60 million impressions, and 4.60 lakh clicks, with around 26 million video views. Similarly, we have run multiple hub campaigns on Temp Shield tiles, Slipshield tiles and VC

Shield tiles. We have run several social campaigns evoking general interest and engagement like “Ek Aur Diya Campaign” wherein we promoted. The use of earthen diyas, which got good appreciation from the audience.

In the last financial year, brand SOMANY was conferred with series of awards, including ET Best Brands award in Building material and ET Iconic brands of India award. We also went aggressive with our PR effectively using local media to propagate the launches of our franchise store, product launches and also facilitated management interactions with media.

We continued expansion of our Experience centers and Franchised showrooms providing customers with an immersive brand experience that goes beyond traditional advertising methods. These centers are designed to engage customers and provide them with a unique experience that helps to build brand loyalty and generate revenue. These centers have proven to be highly effective in premiumizing the brand with many customers willing to pay a premium for the opportunity to engage with brands in a more meaningful way. We now have 486 franchise outlets and 17 company-owned display centers all across India.

To enhance brand recall, we have strategically placed hoardings pan-India at major dealer points in Tier 3 and Tier 4 towns. We also piloted a mobile experiential activity, wherein we showcased our products in a moving vehicle which travelled to MBO's and dealer points, showcasing our vivid range of products in Punjab. The activity elicited a positive response.

To boost the brand imagery and for impact advertising, we continued with our airport OOH campaign at the 5 major airports in India. Branding & POSM (Point of Sale Material) was made available and plastered across dealer touch points throughout the year, covering around 14000+ dealers & sub dealers.

We also launched our new series of Tile designs, called Repliq, through a pan India product launch, and showcased it to our dealers. To further promote our products, we conducted approximately 90 meets with masons and plumbers, with an average of 30 attendees per meeting.

In Bathware, the major focus was on the launch of the new French collection. The launch event saw participation of over 300+ Bathware channel partners. We created 90 Shop-In-shop customized product range displays at dealer points across India. BTL branding was executed across 900 stores pan-India and deployed flanges across 500+ retail counters. To increase awareness amongst the Bathware influencers, specific displays and exhibits were set up at national and international events, like at ISH Frankfurt, world's largest exhibition for sanitaryware & bath fittings, IIA Latitude, Aces of Spaces Award show etc. Presence on social media was upped this year with dedicated social handles for Bathware for targeted content and engagement with specific audience with intent on increasing awareness for the Bathware segment.

During this financial year, we have increased our footprints for Ezy Fix adhesives. To promote Ezy Fix adhesives, we have installed unique cassette display at all our franchise showrooms, dealer points and company owned experience centers showcasing the complete range of adhesive products.

In conclusion, our advertising strategy has been successful in expanding our market reach to new markets and new customers in tier 3 and 4 markets while consolidating in the existing base using traditional media. By investing in celebrity endorsements, innovative campaigns, and digital platforms, we have been able to differentiate ourselves from the competition and have elicited interest for our products amongst the new age buyers. With our focus on quality, innovation, and customer engagement, we are well-positioned to maintain our leadership position in the industry and confident to grow our market share.

INDIAN ECONOMY & INDUSTRY SCENARIO AND OUTLOOK

Economy

Despite challenges such as disruptions in supply chains, global monetary policy tightening, and inflationary pressures, India's economy showed resilience and made steady progress in its recovery in 2022-23. Driven by robust domestic demand, significant infrastructure investments, and strong private consumption, India's real GDP grew by 7% in 2022-23. Inflation remained high, hovering above the Reserve Bank of India's (RBI's) upper range at 6.8% for 2022-23 driven largely by steep increases in commodity, food, and fuel prices. However, the RBI's aggressive interest rate hikes totaling 425 basis points since March 2022, have shown signs of reining in inflation and bringing it back within the target band of 2% to 6%.

The economy is expected to grow by 6.5%, signaling a continued upward trajectory for India's economy despite past challenges in 2023-24. India's prospects for sustained growth are bolstered by ongoing structural reforms and policies aimed at promoting investment, productivity and controlling inflationary pressures. The Union Budget for the year 2023-24 outlined key priorities, which encompassed green growth, youth empowerment, the financial sector, inclusive development, infrastructure investment, and unlocking the potential of various sectors. A significant highlight of the budget was the notable increase in the capital expenditure allocation, which surged by 33% to reach 3.3% of the GDP, totaling INR 10 Lakh Crore.

Industry

The Indian ceramic industry is poised to become the world's largest ceramic producer in coming years. The sector has already established itself as a major global player in the ceramic tile market, ranking just after to China

in terms of manufacturing, consumption, and export. This expansion is being driven by India's expanding urbanization and construction activity, which is increasing demand for tiles, namely glazed vitrified tiles. These tiles are popular among customers because they are incredibly durable and have a visually attractive appearance. The development of glazed vitrified and full-body vitrified tiles has given the industry a huge boost, with vitrified tiles being referred to as the "tiles of the future."

Construction sector has started picking up after a long time of slump, which will be a key driving force behind the expansion of the ceramic tiles market in India. Furthermore, the Government of India's (GOI) various programs and investments to support infrastructure development are adding to the market's growth. The GOI's implementation of programs such as the Pradhan Mantri Awas Yojana (PMAY) and the Smart Cities Mission, in particular, are expected to boost demand for ceramic tiles in India.

DIVIDEND

Based on the Company's performance during the period under review, your Board of Directors recommends a dividend of 150% i.e. ₹3/- per equity share for the year ended 31 March, 2023 (previous year@ 150% i.e. ₹3/- per share). This represent a payout ratio of 14.1% (as against 14.5% in the previous year).

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the dividend declared by the Company is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy is available on the website of the Company at the web link: https://somanu-uat.s3.amazonaws.com/investorrelations/d/i/dividend_distribution_policy_scl.pdf.

RESERVES

No amount has been transferred to any reserve.

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.

SHARE CAPITAL

As on 31 March, 2023, the Authorized Share Capital of the Company stood at ₹ 32,30,00,000/- divided into 16,15,00,000 equity shares of ₹ 2/- each.

The Issued, Subscribed and paid up Equity Share Capital of the Company as on 31 March, 2023 was ₹ 8,49,48,416/- divided into 4,24,74,208 equity shares of ₹ 2/- each.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

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

During the year under review, a wholly owned subsidiary namely Somany Max Private Limited became the subsidiary Company w.e.f 2 June, 2022.

Furthermore, your Company has disinvested its entire equity shareholding in its subsidiary company namely, Amora Ceramics Private Limited ("ACPL") w.e.f. 1 July, 2022 vide agreement dated 21 September, 2022, thereby ACPL ceased to be subsidiary of the Company.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during 2022-23 with related parties were on an arm's length basis and in the ordinary course of business. During the year, pursuant to approval of shareholders dated 23 September, 2022, under Regulation 23 of the SEBI Listing Regulations, your Company entered into Material Related Party Transactions with its Subsidiary Company M/s Sudha Somany Ceramics Private Limited ("SSCPL"). Further, approval of the Audit Committee was sought for all related party transactions. Certain transactions which were repetitive in nature were approved through omnibus route.

All related party transactions were in compliance with the applicable provisions of the Companies Act 2013 and SEBI Listing Regulations. Details with respect to transaction(s) with the Related Party(ies) entered into by the Company during the reporting period are disclosed in the accompanying Financial Statements and the details pursuant to clause (h) of Section 134(3) of Act and Rule 8(2) of the Companies

(Accounts) Rules, 2014 are given in Form AOC-2 which is annexed as **Annexure – 2**.

Your Directors draw attention of the shareholders to the financial statements which set out related party disclosures. A Policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website <https://www.somanyceramics.com/> at the web link: https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/r/p/rpt_policy_w.pdf.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT

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

The Risk Management Policy as approved by the Board has been uploaded on the Company's website <https://www.somanyceramics.com/> at the web link: https://somany-uat.s3.amazonaws.com/investorrelations/r/i/risk_management_policy_scl_-_website.pdf.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

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

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

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividend in order to avoid transfer of dividend/shares to IEPF Authority. Notice in this regard was

also published in the newspapers and the details of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

In light of the aforesaid provisions, the unpaid/ unclaimed dividend which was declared for the year ended 31 March, 2016 is due for transfer to IEPF on or after 6 October, 2023.

During the period, under review, the Company transferred 4,650 Equity Shares of ₹ 2/- each, on which dividend of the year 2015 remained unclaimed for seven consecutive years, to Investor Education and Protection Fund (IEPF) pursuant to Section 124 (6) of the Companies Act, 2013 within the scheduled time.

Further, a Dividend amount of ₹, 6,36,440/- which remained unclaimed against dividend of the year 2015, was transferred to IEPF pursuant to Section 124 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 state that they have devised proper systems to ensure compliance with the provisions of applicable Secretarial Standards and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts for the year ended 31 March, 2023, the applicable accounting standards, had been followed with proper explanation and there are no material departures;
- b) The Directors had selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2023 and of the profit of the Company for the year ended on that date.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

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 (attributable to controlling interest) of your Company was ₹7,149.16 Lakhs in the year under review compared to ₹8,868.71 Lakhs in the previous year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

Mr. Abhishek Somany (DIN: 00021448) was re-designated as Managing Director and CEO of the Company w.e.f. 10 August, 2022. The current term of Mr. Abhishek Somany (DIN: 00021448) as Managing Director and CEO

is going to be completed on 31 May, 2023. He was however, re-appointed as Managing Director and CEO for another term of 3 years commencing from 1 June, 2023 till 31 May, 2026 with the approval of shareholders in their 54th Annual General Meeting (“AGM”) held on 23 September, 2022. Further, Mr. Abhishek Somany (DIN: 00021448) retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Rameshwar Singh Thakur (DIN: 00020126), Independent Director and Mrs. Rumjhum Chatterjee (DIN: 00283824) Independent Director will be completing their current term on 23 May, 2023 and 31 August, 2023, respectively. However, with the approval of shareholders in their 54th AGM held on 23 September, 2022 they were re-appointed as Independent Directors for second term of 5 years w.e.f 24 May, 2023 and 1 September, 2023, respectively.

Mr. Shreekant Somany (DIN: 00021423), Chairman & Managing Director and Mr. Vineet Agarwal (DIN: 00380300), Independent Director of the Company will be completing their current term on 31 August, 2023 and 30 April, 2024, respectively. However, your Board of Directors has recommended their re-appointment w.e.f. 1 September, 2023 and 1 May, 2024, respectively, to the shareholders for their approval in their ensuing Annual General Meeting.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (“SS-2”) were given in the Notice of 55th AGM.

Mr. Saikat Mukhopadhyay resigned from the position of CFO w.e.f. 31 May, 2022 and Mr. Sailesh Raj Kedawat was appointed as Chief Financial Officer (“CFO”) of the Company w.e.f. 10 November, 2022 in his place.

DECLARATION OF INDEPENDENCE

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

the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI (LODR) Regulations, 2015 evaluation has been carried out by the Board, Nomination and 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 and Remuneration Committee on parameters such as appropriateness of qualification, knowledge, skills and experience, time devoted to Board deliberations and participation in Board functioning, extent of diversity in the knowledge and related industry expertise, attendance and participations in the meetings and workings thereof and initiative to maintain high level of integrity & ethics.

In their separate meeting, the Independent Directors had carried out performance evaluation of Non-Independent Directors, the Board as a whole and the Chairman, 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 were evaluated on parameters such as whether the Committees of the Board are appropriately constituted, Committees has an appropriate number of meetings each year to accomplish all of its responsibilities, Committees maintain the confidentiality of their discussions and decisions. Committee conducts a self-evaluation at least annually and make periodically reporting to the Board along with its suggestions and recommendations.

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

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

NOMINATION AND REMUNERATION POLICY

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

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

The NRC policy is available for the stakeholders on the website of the Company and same is accessible at web link https://somanycuat.s3.amazonaws.com/investorrelations/n/o/nomination_and_remuneration_policy_revised.pdf.

MEETINGS OF THE BOARD

During the year, Four (4) meetings of Board of Directors were held, i.e., on 18 May, 2022, 10 August, 2022, 10 November, 2022 and 7 February, 2023. For details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

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

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

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

AUDITORS

Statutory Auditor

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

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

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

Secretarial Auditor

M/s Pinchaa & Co., Company Secretaries, having Unique Code Number (U.C.N.) P2016RJ051800 was appointed to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year ended 31 March, 2023. The Secretarial Audit Report for the financial year ended 31 March, 2023 is annexed and marked as **Annexure – 3** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

Further, the Board has re-appointed M/s Pinchaa & Co., Company Secretaries, having U.C.N. P2016RJ051800 as Secretarial Auditor of the Company for the 2023-24.

Internal Auditors

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

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at 31 March, 2023 on its website at <https://somany-uat.s3.amazonaws.com/investorrelations/MGT-7-FY-2022-23.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The CSR Committee undertakes CSR activities in accordance with its (CSR Policy) which is uploaded on the Company's website at www.somanyceramics.com at the web link: https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf.

The 2% of the average net profit, as calculated pursuant to the provisions Companies Act, 2013 for the FY 2022-23 was ₹147.87 Lakhs which was spent during the year itself. A detailed report on CSR activities is enclosed as **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 program, 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 (IFC) System in accordance with the Section 134(5)(e) of the Companies Act, 2013

for ensuring the orderly and efficient conduct of its business including adherence to company polices safeguarding of its assets, prevention & deduction of frauds and errors, accuracy & completeness of accounting records and timely preparation of reliable financial information.

The standard controls defined in the IFC framework are reviewed by the Internal Auditors, External Consultants and Management concurrently to strengthen the existing processes and activities of the Company by way of formulating new guidelines and incorporating necessary changes in the SOP.

HUMAN RESOURCE (HR)

Like each new year brings its unique set of opportunities and challenges, this year has been a unique and different experience for Somany, both in terms of its business growth and development of its people capabilities. This year enabled us to drive talent development and performance enhancing strategies and reach significant business milestones, backed by insightful talent analytics, effective talent management and strategic business partnering. To cater our existing and futuristic growth plans, we developed effective talent acquisition strategies, including proactive talent forecasting, niche talent sourcing and employer branding. To validate integrity and ethics of new hires, we further strengthened our background verification process, making it more comprehensive, insightful and proactive in monitoring performance and conduct related concerns.

Furthermore, in response to the changing landscape of business environment and our fast growth momentum, we recognized the need to develop a futuristic talent pipeline, as one to our key business priority. In view of this, we focused on developing capabilities of our existing team with revamped Learning & Development (L&D) solutions, new age technical skills and success enabling behaviors. Considering L&D as the most powerful talent engagement & retention tool, our L&D strategies have become more focused on encouraging consistent upskilling and offering customized learning experiences to each Learner. A notable addition to our L&D initiatives, is the relaunch of our Employee On-boarding and induction program, now known as AAGMAN. This 4-day program has been redesigned completely to elevate the on-boarding experience and orienting new hires with important skills/knowhow, with engaging learning strategies and tools. We also developed tailored practice modules/workbooks for our different business lines, which cover important technical, sales and commercial aspects. By acquainting new employees with comprehensive knowledge and Somany's value system from the start, we aim to enhance their integration into our organization culture and expedite their contributions to our overall success.

Our change-fostering powerful learning programs, such as "Design Thinking for success" and "The Productivity Enhancer" effectively

enriched innovative thinking, growth mind-set, resilience and problem solving capabilities of participants. These Organization development interventions not only offer tools and techniques to foster non-linear growth, but also cultivate a culture of innovation, talent empowerment and continuous improvement.

In addition, Somany's much-loved Children's Day painting competition crossed its 10th year with an enchanting name "Kalakriti" to signify the uniqueness, exceptional talent and creativity of children. The previous iteration of this competition over last decade, saw overwhelming participation from across the nation. It was a pleasure to see so many children demonstrate their artistic temperament, and their creations have been published within the organization in celebration of their artistic accomplishments.

Finally, as a platform to share glimpses of the diverse initiatives and events taking place within the organization, our quarterly HR Newsletter (HRSprx) has also been redesigned and presented with more exciting content and name "Somany Vibes." The revitalized newsletter aims to capture the essence and significance of these activities and occasions, reflecting the moments that resonate with "life at Somany" and fostering a sense of unity and appreciation among our Team. Through the new "Somany Vibe", we hope to amplify the unique experiences of our team and create a platform for us to come together and celebrate as one, "Somany Parivar"!

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and enables direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any, reported under this Policy are appropriately and expeditiously investigated by the Chairman. The details of the Whistle Blower Policy are also explained in the Corporate Governance Report and the Policy is also available on the website of the Company at the weblink: https://somanysuat.s3.amazonaws.com/investorrelations/v/i/vigil_mechanism_whistle_blower_policy_revised_16-06-2021.pdf.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 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 is provided at **Annexure- 7**.

EMPLOYEE STOCK OPTION

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 10 December, 2021 approved the Somany Ceramics Employee Stock Plan 2021 (hereinafter to be referred as "Somany Ceramics Employee Stock Option Plan 2021" or the "Plan" or "Scheme") for grant of 4,23,794 Options to Eligible Employees/ Directors of the Company and/or group companies including Subsidiary or Associate Companies and recommended the same to the Shareholders of the Company for their approval.

The Plan was approved by the shareholders of the Company on 7 April, 2022 through Postal Ballot. As per Regulation 12(3) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company obtained in-principle approval of the stock exchanges prior to the grant of options.

The Nomination and Remuneration Committee granted 3,50,102 options to 33 eligible employees of the Company on 29 April, 2022. The grant of options was done at the latest available closing price prevailing on the National Stock Exchange of India Limited being the Stock Exchange which recorded the highest trading volume in the Equity Shares of the Company on 28 April, 2022 i.e. the previous trading day immediately preceding the date on which the grant of Options was approved by the Committee. During the year 34806 options lapsed/forfeited due to resignation of some of the employees of the company. Further in the second tranche 1,01,107 options were granted to 13 eligible employee on 7 February, 2023.

The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

With regard to the above, the disclosures as stipulated under the SEBI Regulations and Companies Act, 2013 as on 31 March, 2023 are provided in **Annexure-8** to this report. The details also available on the website of the Company at the weblink: <https://somany-uat.s3.amazonaws.com/investorrelations/cb5c5ad3-617d-4c1d-9756-307fd317d4a7-1690635607759.pdf>.

Further, your Board of Directors on recommendation of Nomination and Remuneration Committee has approved and recommended to the shareholders the Somany Ceramics Employee Stock Option Plan 2023 which will be considered by the shareholders in their 55th AGM.

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In compliance with the SEBI Listing Regulations, the BRSR describing the initiatives taken by the Company from environmental, social and governance perspectives form part of this Annual Report.

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

Your Company continues to follow robust policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. The Company has a Policy on Prevention, Prohibition and

Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period under review, the Company has not received any complaint under this Policy.

OTHER DISCLOSURES

- I. There were no significant material orders passed by the Regulators / Courts during the FY 2022-23 which would impact the going concern status of the Company and its future operations.
- II. There were no material changes and commitments in terms of Section 134(3)(l) of the Companies Act, 2013, affecting the financial position of the Company.
- III. The maintenance of cost records as specified by the Central Government under sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.
- IV. There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company
- V. There has been no change in the nature of business of the Company.
- VI. There was no instance of one-time settlement with any Bank or Financial Institution.

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

Shreekant Somany

Place: Noida

Chairman and Managing Director

Dated: 23 May, 2023

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

(₹ in Lakhs)

Name of the Subsidiary companies	SR Continental Limited	Somany Bathware Limited	Somany Excel Vitrified Private Limited	Somany Piastrelle Private Limited	Amora Tiles Private Limited	Somany Fine Vitrified Private Limited	Somany Sanitary Ware Private Limited	Sudha Somany Ceramics Private Limited	Somany Bath Fittings Private Limited	SRCL Buildwell Private Limited*	Somany Max Private Limited
Reporting period for the subsidiary concern, if different from the holding Company's reporting Period	Not Applicable										
Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign subsidiaries	Not Applicable										
Date since when subsidiary was acquired	25 June, 1979	26 December, 2006	30 October, 2015	18 February, 2021	29 November, 2013	30 May, 2015	1 June, 2015	20 September, 2017	1 May, 2018	9 November, 2021	24 February, 2022
Share Capital	268.50	50.00	351.00	965.00	1,040.00	1,500.00	990.00	3,612.50	185.91	251.00	5,000.00
Reserves & surplus / (Accumulated Losses)	104.06	50.63	45.08	(961.91)	(74.92)	(199.39)	254.59	(797.53)	586.71	(6.39)	(86.56)
Total assets	379.85	101.05	396.36	16,454.30	5,142.15	3,649.84	4,102.37	25,047.12	1,685.17	395.83	11,116.32
Total liabilities (Excluding Share Capital & Reserves)	7.29	0.42	0.28	16,451.22	4,177.07	2,349.23	2,857.78	22,232.15	912.55	151.22	6,202.88
Investments	251.00	-	-	-	81.20	-	-	-	-	-	-
Turnover including other income	6.94	4.77	0.50	7,977.28	9,955.41	4,553.95	5,731.74	18,902.70	4,324.98	398.88	-
Profit / (Loss) before taxation	(1.06)	2.80	(1.44)	(1,135.67)	(683.98)	(1,039.79)	52.05	(669.39)	36.03	1.04	(86.65)
Provisions for taxation (including deferred tax)	-	0.17	(0.38)	(186.53)	(189.46)	(283.26)	17.42	(184.06)	9.87	0.27	(0.44)
Profit / (Loss) after taxation	(1.06)	2.63	(1.06)	(949.14)	(494.51)	(756.53)	34.63	(485.33)	26.16	0.77	(86.21)
Other Comprehensive Income	-	-	-	0.01	(0.69)	3.73	5.22	2.62	-	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	51%	51%	51%	60%	100%	100%	80%

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

• Name of the Subsidiary which is yet to commence operations - Somany Max Private Limited.

• Name of the Subsidiary which have been liquidated or sold during the year – your Company has disinvested its entire equity shareholding in Amora Ceramics Private Limited w.e.f. 1 July, 2022 vide agreement dated 21 September 2022.

PART B: ASSOCIATES AND JOINT VENTURES

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

Name of the associates/ joint ventures	Acer Granito Private Limited	Vicon Ceramic Private Limited	Vintage Tiles Private Limited
Latest audited balance sheet date	31 March, 2023	31 March, 2023	31 March, 2023
Date on which the Associate or Joint Ventures was associated or acquired	8 March, 2014	26 November, 2013	13 January, 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%	26%	50%
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)	746.47	303.33	769.35
Profit/ (Loss) for the year (₹ in Lakhs)			
a) Considered in Consolidation (₹ in Lakhs)	38.01	61.53	9.03
b) Not considered in consolidation	-	-	-

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

For and on behalf of the Board

Abhishek Somany

Managing Director and Chief Executive Officer
(DIN: 00021448)

Shreekant Somany

Chairman and Managing Director
(DIN: 00021423)

Amrisha Julka

Sr. GM- Legal & Company Secretary

Sailesh Raj Kedawat

Chief Financial Officer

Place: Noida

Dated: 23 May, 2023

ANNEXURE – 2

FORM NO. AOC-2

Pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**

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

2. Details of material contracts or arrangement or transactions at arm's length basis: **NIL**

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

For and on behalf of the Board

Shreekant Somany

Chairman and Managing Director

DIN: 00021423

Place: Noida

Dated: 23 May, 2023

ANNEXURE – 3

Form No.: MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31 March, 2023

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

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

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

Based on our verification of **Somany Ceramics Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 ("period under review") according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

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

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

We further report that, during the year under review:

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

Adequate notices were given to all Directors to schedule the Board Meetings in accordance with the provisions of the Act. Agenda and

detailed notes on agenda are sent atleast 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.

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

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 there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Pinchaa & Co.

Company Secretaries

Firm's U.C.N. P2016RJ051800

Firm's PR Certificate No. 832/2020

Akshit Kr. Jangid

Partner

M. No. : FCS 11285

C. P. No.:16300

UDIN: F011285E000354958

Dated: 23 May, 2023

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
2, Red Cross Place Kolkata WB 700001

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Pinchaa & Co.

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

Akshit Kr. Jangid

Partner

M. No. : FCS 11285

C. P. No.:16300

UDIN: F011285E000354958

Dated: 23 May, 2023

Place: Jaipur

ANNEXURE – 4

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

FOR THE YEAR ENDED 31 MARCH, 2023

1. Brief outline on CSR Policy of the Company

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

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

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

2. Composition of the Committee

SL. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Abhishek Somany (DIN: 00021448)	Chairman of CSR Committee and Managing Director & Chief Executive Officer of the Company	4	4
2.	Mr. Salil Singhal (DIN: 00006629)	Member of CSR Committee and Independent Director of the Company	4	2
3.	Mr. Ravinder Nath (DIN: 00062186)	Member of CSR Committee and Independent Director of the Company	4	0
4.	Mr. Siddharath Bindra (DIN: 01680498)	Member of CSR Committee and Independent Director of the Company	4	2
5.	Mr. Ghanshyam Girdharbhai Trivedi* (DIN: 00021470)	Member of CSR Committee and Non-Executive Non Independent Director of the Company	3	3

* Mr. Ghanshyam Girdharbhai Trivedi was appointed as member of CSR Committee w.e.f. 18 May, 2022.

3. The web-links of composition of CSR Committee, CSR Policy and CSR projects/activity approved by the Board:

The web link of the Composition of CSR Committee is

<https://somany-uat.s3.amazonaws.com/investorrelations/2146afc3-3213-4d2e-9eb7-e854604e5581-1684994679417.pdf>.

The web link to the Contents of the CSR Policy is

https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/c/o/corporate_social_responsibility_policy_revised_16-06-2021.pdf.

The web link of the CSR projects/activity is <https://www.somanyceramics.com/investor-relation/csr>.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable for the Company.

5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹7393.60 Lakhs
 (b) Two percent of average net profits of the Company as per sub-section (5) of section 135: ₹147.87 Lakhs
 (c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years: NIL
 (d) Amount required to be set-off for the financial year, if any: NIL
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹147.87 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹147.23 Lakhs
 (b) Amount spent in Administrative Overheads: ₹0.77 Lakh
 *Overhead means administrative costs of H. L. Somany Foundation.
 (c) Amount spent on Impact Assessment, if applicable.: Not Applicable
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹148 Lakhs
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ In Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
148	NIL	-	-	Nil	-

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

S. No.	Particulars	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	147.87
(ii)	Total amount spent for the Financial Year	148.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.13
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.13

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

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes
If Yes, enter the number of Capital assets created/ acquired: 3 (Three)

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

S. no	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ In Lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	6		
1	i. Mobile Health Unit (Force Traveller Ambulance) [Address: HelpAge India, Yakasiri Rama Devi W/O Sai Prasad, 5-2/7 Opposite Bharat Petroleum Bunk Kummarigunta Venkatagiri, Dist. - Tirupati, State - Andhra Pradesh]	524132	01/11/2022 to 31/03/2023	18.75	CSR00003400	H.L. Somany Foundation	82/19, Bhakerwara Road, Mundka, New Delhi 110041
	ii. Van Fabrication, medical & office equipment [Address: HelpAge India, Yakasiri Rama Devi W/O Sai Prasad, 5-2/7 Opposite Bharat Petroleum Bunk Kummarigunta Venkatagiri, Dist. - Tirupati, State - Andhra Pradesh]			3.45	CSR00000901	HelpAge India	C-14, Qutub Institutional Area, New Delhi, 110016
2	Office equipment for Mobile Health Unit [Address: HelpAge India, 3 Kamla Park Society, Near Rushikesh School, Behind of Housing Road, Sama Kanthe, Morbi, State – Gujarat]	363642	01/07/2022 to 31/03/2023	0.56	CSR00000901	HelpAge India	C-14, Qutub Institutional Area, New Delhi, 110016
3	Lab & officer equipment for skill development center [Address: Hunnar Skill and Livelihood Development center, 1 st Floor, ACMR Building opposite to Z. P (Boys) high school Venkatagiri, Dist. - Tirupati, State - Andhra Pradesh]	524132	01/10/2022 to 31/03/2023	3.00	CSR00000016	Third Planet Foundation	369, The Centrum, First Floor, Sultanpur, MG Road, New Delhi – 110030, India

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

For and on behalf of Somany Ceramics Limited

Shreekant Somany

(Chairman and Managing Director)

(DIN: 00021423)

Abhishek Somany

(Managing Director & Chief Executive Officer and

Chairman of the CSR Committee)

(DIN: 00021448)

Place: Noida

Date: 23 May, 2023

ANNEXURE – 5

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

CONSERVATION OF ENERGY

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

(a) Energy conservation measures taken by the Company includes steps taken by the Company for utilizing alternate source of energy and the capital investment on energy conservation equipments:

- I. After upgradation of incoming power supply, the Company optimized the cheapest grid power up to the level of 97.1%, which helped to reduce the captive power generation and reduced our power cost substantially. Due to high voltage line & independent feeder the reliability of power has improved as power interruptions have gone down thus losses were reduced.
- II. Company opted the option of ToD/ToU related to the rebate for extra power consumption during off peak hrs so Increased Off Peak Hrs Consumption & reduced peak hrs power consumption which reduced the power cost. Company got the benefit of ₹ 42.94 Lakhs which helped in power cost reduction.
- III. Utilized the waste heat of the kiln into the Horizontal Dryer by using heat recovery duct with insulation and saved substantial amount of natural Gas.
- IV. Insulated the Heat recovery ducts at kiln & dryer area by identifying the hot spots with the help of thermal imager.
- V. Used High Efficacy LED Lights which reduced Power Consumption.
- VI. Installed variable frequency drives in fans, blowers & pumps of kilns & cooling towers in close loop with temperature sensors/pressure sensors/ultrasonic water level controllers which reduced power consumption & smoothen the process also.
- VII. Small PLC timer used for the agitators to operate intermittently instead of continuous use. Reduced running by 40%.
- VIII. Small PLC (LOGO) timer used for the Glaze Ball Mills to stop the mill in auto mode when the grinding time is over which saved the electricity improve efficiency of the process.
- IX. Highly Energy efficient IE3 motors used in kilns & Horizontal Dryers to reduce electrical power consumption.

- X. Low power loss capacitor with APFC relays used to maintain a good power factor at load end which reduce the voltage drop as well as the distribution losses.
- XI. Replacement of bigger motor with smaller one after load analysis by using VFD saved more electricity.
- XII. Solar Plant of the Company generated more than 2.88 million units in Kassar Plant & 1.27 million in Kadi Plant as solar power is a renewal energy so there is substantial reduction in emission of greenhouse gasses hence good for environment.
- XIII. Installed helical type gear box by replacing worm gearbox for Stirrer of Feed tank which saves electricity.
- XIV. Using inverter to the Fume suction blower of Digital p/m which reduced cost of the electricity.
- XV. Using VFD in Slip Transfer Pumps for Energy Savings.
- XVI. The capital investment on energy conservation equipment's was ₹11.56 Lakhs during the FY 2022-23 and the Annual Saving Impact is appx 4.70 lakhs Kwh Units.
- XVII. Our Cost per Unit (₹/Kwh) has reduced by 8.2% as compared to previous year & the Cost per Sqm (₹/Sqm) has also reduced by 9.5% in Kassar Plant.

(b) Impact of measures (a) above for reduction of energy consumption consequent impact on cost of production of goods.

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

TECHNOLOGY ABSORPTION

A. Research and Development;

I. Specified areas of R&D

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

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

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

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

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

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

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

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

III. Future R & D Plans

The research and development division of the Company has always engaged themselves for development of new designs and variety of products to meet the high expectations of the customers. It endeavors to develop new products which are different in design, effects and sizes with cost optimization. Many innovative steps are being taken to improve the fuel efficiency. Alternate fuel for running the spray dryer is the need of the hour and we are in the process of developing various bio fuel.

IV. Expenditure on R & D

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

B. Technology absorption, adaptation and innovation

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

C. Foreign Exchange Earnings and Outgo:

- (i) Foreign Exchange Earnings ₹ 4,831.33 Lakhs
- (ii) Foreign Exchange Outgo ₹ 2,234.61 Lakhs

For and on behalf of the Board

Shreekant Somany

Chairman & Managing Director

DIN: 00021423

Place: Noida

Dated: 23 May, 2023

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 31 March, 2023.

REMUNERATION PAID/PAYABLE TO DIRECTORS FOR FY 2022-23

Name of the Director	Title	Remuneration in fiscal 2023 (₹ in Lakhs)	Remuneration in fiscal 2022 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2023	% increase of remuneration in 2023 as compared to 2022	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD
Mr. Shreekant Somany	Chairman and Managing Director	399.53	298.72	Nil	33.7%	98.95	98.92
Mr. Abhishek Somany	Managing Director and Chief Executive Officer	611.71	552.77	Nil	10.7%	151.50	151.46
Mr. Salil Singhal	Independent Director	2.75	2.70	Nil	1.8%	0.68	0.68
Mr. Ravinder Nath	Independent Director	2.45	2.45	Nil	0.00%	0.61	0.61
Mr. G. G. Trivedi	Non-Executive Non Independent Director	3.35	3.20	Nil	4.7%	0.83	0.82
Mr. Siddharath Bindra	Independent Director	2.75	2.65	Nil	3.8%	0.68	0.68
Mr. Rameshwar Singh Thakur	Independent Director	3.30	3.25	Nil	1.5%	0.82	0.82
Mrs. Rumjhum Chatterjee	Independent Director	2.60	2.40	Nil	8.3%	0.64	0.64
Mr. Vineet Agarwal	Independent Director	2.60	2.65	Nil	(1.9%)	0.64	0.64

RSUs: Restricted Stock Units

WTD: Whole-time Director

MRE: Median Remuneration of Employees

REMUNERATION OF KEY MANAGERIAL PERSONNEL (KMP)

(₹ in lakhs)

Name of the KMP	Title	Remuneration in fiscal 2023 (₹ in Lakhs)	Remuneration in fiscal 2022 (₹ in Lakhs)	No. of Stock Option / RSUs granted in fiscal 2023	% increase of remuneration in 2023 as compared to 2022	Excl. WTD	Incl. WTD
						Ratio of remuneration to MRE	Ratio of remuneration to MRE and WTD
Mr. Saikat Mukhopadhyay*	Chief Financial Officer	41.05	130.99	22678	(68.7%)	10.17	10.16
Mr. Sailesh Raj Kedawat*	Chief Financial Officer	53.73	-	Nil	Not applicable	13.3	13.3
Mr. Ambrish Julka	Company Secretary and Compliance Officer	36.71	31.94	6538	14.9%	9.09	9.09

*Mr. Saikat Mukhopadhyay has resigned from the position of Chief Financial Officer of the Company w.e.f. 31 May, 2022 and accordingly, the options granted to him were lapsed/forfeited. The Board has appointed Mr. Sailesh Raj Kedawat as Chief Financial Officer w.e.f. 10 November, 2022 in place of former.

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 ₹ 4,03,766 and ₹ 3,43,486 in fiscal 2023 and fiscal 2022 respectively. The increase in MRE (excluding WTDs) in fiscal 2023, as compared to fiscal 2022 is 17.5%.

The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was ₹ 4,03,886 and ₹ 3,44,005 in fiscal 2023 and fiscal 2022 respectively. The increase in MRE (including WTDs) in fiscal 2023, as compared to fiscal 2022 is 17.4%.

The number of Permanent employees on the rolls of the Company as of 31 March, 2023 and 31 March, 2022 was 1957 and 1888 respectively.

The aggregate remuneration of employees excluding WTD increased by 16.8% over the previous fiscal. The aggregate increase in salary for WTDs and other KMPs was 12% (on annualized basis) in fiscal 2023 over fiscal 2022.

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

For and on behalf of the Board

Shreekant Somany

Chairman & Managing Director

DIN:00021423

Place: Noida

Dated: 23 May, 2023

ANNEXURE – 7

Top ten employees in terms of Remuneration drawn including the employees who were in receipt of remuneration exceeding ₹1.02 Cr. per annum and were employed throughout the FY 2022-23 and employees who were employed for a part of the financial year and were in receipt of remuneration not less than ₹8.50 lakhs per month;

[As per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the full year 2022-23 or for Part of the Year

	Employee -1	Employee -2	Employee -3	Employee -4	Employee -5	Employee -6	Employee -7	Employee -8	Employee -9	Employee -10	Employee -11	Employee-12
Employee Name	Abhishek Somany	Shreekant Somany	Amit Sahai	Sujit Kumar Mohanthy	Rahul Sharma	Mayank Sharma	Vishal Kakkar	Devendra Pal Singh	Amit Bhatnagar	Amir Kumar Mahapatra [§]	Saikat Mukhopadhyay [#]	Sailesh Raj Kedawat
Age	51	74	56	47	48	52	47	51	46	56	53	49
Designation	Managing Director & CEO	Chairman and Managing Director	Deputy CEO	Senior Vice President	Senior Vice President	Senior Vice President	Vice President	Assistant Vice President	Assistant Vice President	Vice President	Chief Financial Officer	Chief Financial Officer
Shareholding	19538	119538	0	200	0	0	0	0	0	0	0	0
*Remuneration Received ₹ in Lakhs	611.71	399.53	226.22	119.67	113.41	97.79	66.36	64.10	63.51	62.64	41.05	53.73
Qualifications	B.B.A.	B.Sc.	M.B.A.	M.B.A.	PGDM Marketing	M.B.A.	M.B.A.	PGDBM	M.B.A.	Master in Information Management & B.E.	C.A.	C.A.
Experience	28 years	52 years	34 years	27 years	26 years	30 years	23 years	29 years	25 years	32 years	25 years	24 years
Date of Commencement of Employment	09 March 2001	01 September 1992	06 July 2018	14 February 2001	03 May 2019	22 February 2018	18 September 2020	01 July 2016	07 July 2010	05 August 2019	16 January 2018	26 September 2022
Name of last Employment	Not applicable	Hindustan Sanitaryware & Industries Limited	Snowcem Paints Private Limited	Sika Qualcrete Limited	Asian Granito India Limited	Wim Plast Limited	Brilloca Limited	Asian Granito India Limited	Havelles India Limited	Pidilite Industries Limited	Case New Holland Industrial	MICR Electronics Limited
Position Held in previous employment	Not applicable	President	CEO	Sales Officer	Vice President	Business Head	Assistant Vice President	General Manager	Manager	Head- Manufacturing Operations	Group Financial Controller	Chief Financial Officer

*Remuneration includes=Gross Earning Salary + Perquisite +PF

§ Mr. Amir Kumar Mahapatra, has resigned w.e.f. 8 October, 2022.

Saikat Mukhopadhyay, has resigned w.e.f. 31 May, 2022 and was in receipt of remuneration exceeding ₹ 8.50 Lakh per month during the part of financial year.

Note

- During the FY 2022-23, no employee was in receipt of remuneration exceeding the remuneration drawn by the Managing Director or Whole-Time Director of the Company.
- All above mentioned employees are on the rolls of the Company and nature of employment is as per the appointment letter given by the Company.
- Mr. Shreekant Somany is father of Mr. Abhishek Somany. Except this no employee as mentioned in above list, is relative of any Director of the Company.

ANNEXURE – 8

DETAILS OF ESOP FOR THE FY 2022-23 AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 & SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014:

- (i) A description of each ESOS/ESOP that existed at any time during the year, including the general terms and conditions of each ESOS/ESOP, including-

Sl. no	Particulars	Somany Ceramics Employee Stock Option Plan 2021
(a)	Date of shareholders' approval	7 April, 2022
(b)	Total number of options approved under the scheme	4,23,794 (Four lacs twenty three thousand seven hundred ninety four) Options (i.e. 1% of the current fully paid up equity shares of the Company)
(c)	Vesting requirements	Vesting of the options shall take place over a maximum period of 7 years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organizational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 1 (One) year from the date of grant. Further in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.
(d)	Exercise price or pricing formula	The exercise price shall be decided by the Nomination & Remuneration Committee in line with the SEBI Regulations. The Exercise price shall not exceed the fair market value as on the date of Grant and shall not be below the Face Value of the share.
(e)	Maximum term of options granted	Vesting of the options shall take place over a maximum period of 7 years from the date of grant.
(f)	Source of shares (primary, secondary or combination)	The Plan will involve issue of new shares by the Company and will not involve any secondary acquisition.
(g)	Variation in terms of options	The Board of Directors in its absolute discretion may from time to time amend, alter or terminate the Plan or any Grant or the terms and conditions thereof provided, that no amendment, alteration or termination in any Grant previously made may be carried out, to the extent possible, which would impair or prejudice the rights of the Employee without the consent of the concerned Employee. The notice for passing a special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation. Without prejudice to the above, the Board of Directors, may without any reference to or consent of the Employee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan. During the year, no amendment/ modification/ variation has been introduced in terms of options.

- (ii) Method used to account for ESOP - Intrinsic or fair value: **Fair Value**
- (iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.: **Not Applicable**

(iv) Options Movement during the year (For each ESOS):

Sr. No.	Particulars	Somany Ceramics Employee Stock Option Plan 2021	
		Tranche 1	Tranche 2
a)	Number of Options outstanding at the beginning of the year	Nil	Nil
b)	Number of Options granted during the year	350102	101107
c)	Number of Options forfeited / lapsed during the year	34806	Nil
d)	Number of Options vested during the year	Nil	Nil
e)	Number of Options exercised during the Year	Nil	Nil
f)	Number of shares arising as a result of exercise of options	Nil	Nil
g)	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil	Nil
h)	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable
i)	Number of Options outstanding at the end of the Year i.e. 31 March, 2023	315296	101107
j)	Number of Options exercisable at the end of the year i.e. 31 March, 2023	Nil	Nil
k)	Exercise price per option (Amount in Rupees)	647.85	536.05

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. **Not Applicable**

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

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

Sr. No.	Name and Designation	Number of Option granted	
		Tranche 1	Tranche 2
1	Mr. Saikat Mukhopadhyay, Chief Financial Officer*	22678	-
2	Mr. Ambrish Julka, Company Secretary	6538	-
3	Mr. Amit Sahai, Deputy CEO	33356	-

*Mr. Saikat Mukhopadhyay, Chief Financial Officer resigned w.e.f from 31 May, 2022 and these options were forfeited/lapsed.

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

Sr. No.	Name and Designation	Number of Option granted	
		Tranche 1	Tranche 2
1	Mr. Sujit Kumar Mohanty	22055	-

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: **Nil**

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

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. Details for which are as under:

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

Particulars	Tranche 1	Tranche 2
Grant Date	April 29, 2022	February 07, 2023
Exercise price	647.85	536.05
Weighted Average Fair value	329.74	270.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%
Expected life	5.5-8.5 years	5.5-8.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%
Expected dividends	0.88%	0.85%
The price of the underlying shares in market at the time of Option grant	647.85	536.05

b) the method used and the assumptions made to incorporate the effects of expected early exercise;

Please refer Note number 47 of the notes to Standalone Financial Statements and Note number 50 of the notes to Consolidated Financial Statements of the Company.

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options.

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

Please refer Note number 47 of the notes to Standalone Financial Statements and Note number 50 of the notes to Consolidated Financial Statements of the Company.

ANNEXURE – 9

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

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

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 SEBI (LODR) Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. 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 SEBI (LODR) Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the SEBI (LODR) Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the SEBI (LODR) Regulations referred to in paragraph 3 above.
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 SEBI (LODR) Regulations, as applicable for the year ended March 31, 2023, 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 SEBI (LODR) Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration Number: 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: 23 May, 2023

Membership Number: 088926

UDIN: 23088926BGXBBH4236

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the entity

1	Corporate Identity Number (CIN) of the listed entity	L40200WB1968PLC224116
2	Name of the listed entity	Somany Ceramics Limited
3	Year of incorporation	1968
4	Registered office address	2, Red Cross Place, Kolkata - 700001, West Bengal
5	Corporate address	F-36, Sector-6, Noida - 201301, Uttar Pradesh
6	E-mail	corporateaffairs@somanyceramics.com
7	Telephone	0120-4627900
8	Website	www.somanyceramics.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. & BSE Limited
11	Paid-up capital	₹ 849.48 Lakhs
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Kumar Sunit Head-Strategy & Investor Relations Telephone: 0120-4627900 e-mail id: kumar.sunit@somanyceramics.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures in this report have been made on a standalone basis and are limited to the operational boundary of Somany Ceramics Limited.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Ceramic/Vitrified Wall & Floor Tiles	Manufacturing and trading of Ceramic/ Vitrified Wall & Floor Tiles	88.54%
2	Sanitaryware & Bath Fittings	Manufacturing and Trading of Sanitary & Bath Fittings	10.10%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Ceramic/Vitrified Wall & Floor Tiles	2393 23929	88.54%
2	Sanitaryware & Bath Fittings	2392 23922	10.10%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	19	21
International	0	1 (Representative office in Nepal)	1

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Value (in numbers)
National (No. of States)	The Company operates pan-India
International (No. of Countries)	The Company has presence across 44 countries

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

3.83%

c. **A brief on types of customers:**

The Company serves a diverse group of customers, including retailers and distributors with its innovative solution offerings. It caters to both Indian and global markets through its domestic and international business verticals.

IV. Employees

18. **Details as at the end of Financial Year (2022-23):**

a. **Employees and workers (including differently abled)¹:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,278	1,245	97.41%	33	2.58%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D + E)	1,278	1,245	97.41%	33	2.58%
WORKERS						
4.	Permanent (F)	679	679	100.00%	0	0.00%
5.	Other than Permanent (G)	1,776	1,764	99.32%	12	0.67%
6.	Total workers (F + G)	2,455	2,443	99.32%	12	0.48%

b. **Differently abled Employees and workers (2022-23):**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100.00%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total differently abled employees (D + E)	1	1	0.00%	0	0.00%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0.00%	0	0.00%
5.	Other than permanent (G)	3	3	100.00%	0	0.00%
6.	Total differently abled workers (F + G)	3	3	100.00%	0	0.00%

¹ Permanent employees include all on-roll employees of the Company.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel (KMP)	4	0	0.00%

Note: KMP includes Chairman & Managing Director and Managing Director & CEO

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY) (%)			FY 2021-22 (Turnover rate in previous FY) (%)			FY 2020-21 (Turnover rate in the year prior to the previous FY) (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	10.99 %	19.35%	11.20%	10.29%	30.55%	10.92%	7.39%	20.51%
Permanent Workers	6.50%	0.00%	6.50%	6.80%	0.00%	6.80%	3.90%	0.00%	3.90%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SR Continental Limited	Subsidiary	100.00%	No
2	Somany Bathware Limited	Subsidiary	100.00%	No
3	Somany Excel Vitrified Private Limited	Subsidiary	100.00%	No
4	Somany Piastrelle Private Limited	Subsidiary	100.00%	No
5	Somany Bath Fittings Private Limited	Subsidiary	100.00%	No
6	SRCL Buildwell Private Limited	Subsidiary of SR Continental Limited	100.00%	No
7	Somany Max Private Limited	Subsidiary	80.00%	No
8	Sudha Somany Ceramics Private Limited	Subsidiary	60.00%	No
9	Amora Tiles Private Limited	Subsidiary	51.00%	No
10	Somany Fine Vitrified Private Limited	Subsidiary	51.00%	No
11	Somany Sanitary Ware Private Limited	Subsidiary	51.00%	No
12	Vintage Tiles Private Limited	Associate	50.00%	No
13	Acer Granito Private Limited	Associate	26.00%	No
14	Vicon Ceramic Private Limited	Associate	26.00%	No

VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
- ii. Turnover (in ₹) (2022-23): 2,42,646.17 Lakhs /-
- iii. Net worth (in ₹ (2022-23)): 82,360.55 Lakhs /-

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) <i>(If Yes, then provide web-link for grievance redress policy)</i>	2022-23 Current Financial Year			2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has formulated policies corresponding to the requirements of each NGRBC principle. To ensure effective implementation, it has instituted a grievance redressal mechanism through which stakeholders can report their complaints. The same has been specified in each policy. (link to policy section, please refer below): Somany Ceramics	0	0	None	0	0	None
Investors (Other than shareholders)		0	0		0	0	
Shareholders		0	0		0	0	
Employees and workers		0	0		0	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
1.	Economic value generation & distribution	Opportunity	Robust economic performance is imperative for sustaining long-term growth and creating value for shareholders and all other stakeholders.	The Company has formulated a long-term growth strategy that focuses on expanding its market share through investment in capacity, brand and distribution.	Positive implication
2.	Compliance and ethical business practices	Risk	Regulatory and legal obligations related to the nature of the Company's business.	The Company has a robust compliance management system and compliance to all regulations is routinely reviewed by the senior management.	Negative implication

S. No.	Material identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
3.	Resource efficiency	Opportunity	The Company's business utilizes natural raw materials for production. Increasing its raw material efficiency can reduce environmental impact and operational cost.	Not applicable	Positive implication
4.	Water conservation	Risk	Ceramics production is a water-intensive process and water scarcity could impact the efficacy of the production process.	The Company has implemented several water conservation initiatives, including process improvements, recycling wastewater etc. Both of its plants in Kadi and Kassar are Zero Liquid Discharge (ZLD) plants i.e., all wastewater in these plants is recycled.	Negative implication
5.	Energy and emissions management	Risk	Increase in energy prices and implementation of environmental regulations to mitigate emissions.	The Company has implemented many measures, including the adoption of energy-efficient processes and systems, increasing the deployment of renewable energy and switching to alternate cleaner biofuels.	Negative implication
6.	Product quality and safety	Risk	Use of obsolete technologies could impact the Company's brand and profitability.	The Company invests in its R&D activities to provide its customers with innovative quality products. It has implemented a Quality Management System that is ISO 9001:2015 certified. All of the Company's products meet prescribed quality and safety norms.	Negative implication
7.	ESG aspects in supply chain	Risk	Environmental and social risks in the Company's value chain could lead to supply chain disruptions.	The Company has formulated a Supplier Code of Conduct that lists the ESG performance criteria that all suppliers are expected to comply with.	Negative implication

S. No.	Material identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
8.	Local community development	Opportunity	Fostering enduring relationships with local communities can ensure that the Company has the social license to operate.	In accordance with its CSR policy, the Company routinely interacts with local community members through its CSR activities to address their needs and grievances.	Positive implication
9.	Employee well being	Opportunity	Human capital plays a pivotal role in achieving the Company's growth objectives.	The Company has implemented numerous measures to foster a safe, inclusive and diverse working environment.	Positive implication



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Investor Relation Tile Company in India - Somany Ceramics								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 (Quality Management System)	BIS Certification	ISO 45001 (Occupational Health and Safety System)	-	-	ISO 14001 (Environmental Management System) CII GreenPro (Green Product Certification)	ISO /IEC 27001: 2013	-	CE Certification
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	1) To improve thermal and electrical energy efficiency by 5% by 2025 (Baseline year 2022-23) 2) To improve freshwater consumption intensity by 6.5% by 2025 ((Baseline year 2022-23)								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>):	As a responsible business, the Company is cognizant of the role that it must play in addressing pressing environmental and social challenges. To this end, the Company's sustainability strategy is supported by four key pillars i.e., Sustained Value Creation, Operational Eco-efficiency, Responsible Product Offering, and Diverse and Inclusive Growth. To reduce its environmental impact, the Company has undertaken numerous initiatives including, recycling waste materials back into the production process, implementing new energy-efficient processes, transitioning to cleaner biomass-based fuels, and increasing the share of renewable electricity. At present, the Company has a total installed capacity of 3.5 MW of Solar Energy. The Company has the motto 'One Team One Somany' and therefore it strives to create an inclusive and safe work environment for all its employees. The Company aims to hire and retain the brightest talent through its human capital strategy that is focused on diversity and inclusion, skill upgradation, and well-being. The Company also looks to promote inclusive growth through its Corporate Social Responsibility (CSR) initiatives that are focused on Skill Development and Education, Health and Well-being, Sports Promotion and the Protection of National Heritage Art and Culture.								

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The Risk Management Committee is responsible for the implementation of the policies. The members of the Committee include:

1. Mr. Abhishek Somany (Chairman): Managing Director & CEO
2. Mr. Rameshwar Singh Thakur (Member): Non-Executive Independent Director
3. Mr. Vineet Agarwal (Member): Non-Executive Independent Director
4. Mr. Sailesh Raj Kedawat (Member): Chief Financial Officer (CFO)
5. Mr. Ashavani Kumar Mani (Member): Assistant Vice President
6. Mr. Bikash Mishra (Coordinator): Senior Manager

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Risk Management Committee of the entity is responsible for decision-making on sustainability-related issues. The members of the Committee include:

1. Mr. Abhishek Somany (Chairman): Managing Director
2. Mr. Rameshwar Singh Thakur (Member): Non-Executive Independent Director
3. Mr. Vineet Agarwal (Member): Non-Executive Independent Director
4. Mr. Sailesh Raj Kedawat (Member): Chief Financial Officer (CFO)
5. Mr. Ashavani Kumar Mani (Member): Assistant Vice President
6. Mr. Bikash Mishra (Coordinator): Senior Manager

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Performance against each policy and necessary follow up actions are reviewed annually.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Compliance with statutory requirements relevant to the principles is reviewed annually.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company periodically conducts a comprehensive internal audit of its policies, and evaluates and monitors any gaps in implementation.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	1. SEBI regulations that are material to the Company 2. Issues pertaining to the Companies Act, 2013 that are material to the Company 3. Code of Conduct 4. Corporate Governance	100.00%
Key Managerial Personnel	7	1. Code of Conduct and Corporate Governance 2. SEBI Regulations 3. ESG material aspects	100.00%
Employees other than BoD and KMPs	5	1. Code of Conduct 2. POSH	100.00%
Workers	63	1. Occupational, Health & Safety	76.41%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Penalty/ Fine					
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has formulated an **Ethics, Transparency and Accountability** Policy in which it has delineated its commitment to zero tolerance on bribery and corruption.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No complaints regarding corruption or conflicts of interest were reported in the current period.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
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The Company has developed a Supplier Code of Conduct which outlines the Company's expectations with respect to Business Ethics, Environment, Labor, and Human Rights. All suppliers are expected to comply with the provisions of the code and translate the requirements of the code to their own suppliers.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, it is mandatory for all Directors of the Company to disclose their interest in the Company (ies)/firm(s)/bodies corporate/other association of individuals and any changes therein, annually or upon any change. It is also compulsory for the Directors of the Company to provide a declaration under the Code of Business Conduct and Ethics confirming that there is no violation of the said code, including any conflict of interest. Additionally, all Directors and Key Management Personnel are required to disclose any potential conflict of interest in accordance with the requirements of the Company's Related Party Transaction Policy

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year (2022-23) ₹	Previous Financial Year (2021-22) ₹	Details of improvements in Environmental and social impacts
R&D and Capex	The Company is focused on providing its customers with innovative solutions that safeguard the environment and customer well-being. Environmental and Social considerations are integrated into the Company's R&D and Capex strategy. The Company is in the process of streamlining its data management system which will enable it to capture this data, moving forward.		

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has developed a Supplier Code of Conduct which outlines the Company's expectations with respect to Business Ethics, Environment, Labor, and Human Rights. All suppliers are expected to comply with the provisions of the code and translate the requirements of the code to their own suppliers.

- b. If yes, what percentage of inputs were sourced sustainably?**

The Company is in the process of streamlining its Supplier Assessment Framework in alignment with the provisions of the Supplier Code of Conduct. Through this framework, the Company aims to assess environmental and social risks in its supply chain.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company manufactures tiles and allied products which have a long lifespan. Consequently, it does not reclaim products. However, all waste produced from its operations is processed through certified State Pollution Control Board (SPCB) vendors.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable to the Company.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code*	Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
The Company has not conducted any LCA studies					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Other materials	9.67%	10.11%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics including packaging)		Not applicable			Not applicable	
E-waste		Not applicable			Not applicable	
Hazardous waste		Not applicable			Not applicable	
Other waste		Not applicable			Not applicable	

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance ²		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,245	1,245	100.00%	1,245	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	33	33	100.00%	33	100.00%	33	100.00%	0	0.00%	0	0.00%
Total	1,278	1,278	100.00%	1,278	100.00%	33	2.58 %	0	0.00%	0	0.00%
Other than Permanent employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

² Includes term insurance.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	679	679	100.00%	679	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	679	679	100.00%	679	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent workers											
Male	1,764	1,300	73.69%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	12	12	100.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	1,776	1,312	73.87%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	4.00%	100.00%	Y	5.00%	100.00%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the entity are accessible to differently-abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company's commitment to being an equal-opportunity employer is clearly stated in its Code of Conduct and Employee well Being Policy. The Company provides an atmosphere that fosters diversity and inclusion and guarantees equal employment opportunities for everyone, regardless of caste, creed, gender, nationality, color, race, religion, disability, or sexual orientation.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00%	0.00%	0.00%	0.00%
Female	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%

Note: No employees took parental leave during the financial year. The Company does not have any permanent female workers.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has instituted the following mechanisms to redress grievances: 1. A Help Desk has been created to address employee complaints. For any complaints made through the Help Desk or any violations of the standards outlined in the whistle blower policy and business code of conduct, an escalation matrix has been formulated. 2. In accordance with the Industrial Dispute Act, the Company has instituted a 'Works Committee' with equal representation of management and workers. The committee convenes every quarter to address any grievances. 3. In accordance with the Prevention of Sexual Harassment (POSH) Act, the Company has an Internal Complaints Committee (ICC) that convenes every quarter to ensure that the Act is being implemented effectively. 4. In accordance with the Factory Act, the Company has a Safety Committee which addresses issues/complaints.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Benefits	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category ©	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1,278	0	0.00%	1,165	0	0.00%
Male	1,245	0	0.00%	1,132	0	0.00%
Female	33	0	0.00%	33	0	0.00%
Total Permanent Workers	679	679	100.00%	723	723	100.00%
Male	679	679	100.00%	723	723	100.00%
Female	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,245	160	12.85%	993	79.75%	1,132	266	23.49%	848	74.91%
Female	33	11	33.33%	13	39.39%	33	6	18.18%	23	69.69%
Total	1,278	171	13.38%	1,006	78.71%	1,165	272	23.34%	871	74.76%
Workers										
Male	2,443	1,876	76.79%	1,681	68.80%	2,669	1,561	58.48%	1,393	52.19%
Female	12	0	0.00%	0	0.00%	10	0	0.00%	0	0.00%
Total	2,455	1,876	76.41%	1,681	68.47%	2,679	1,561	58.26%	1,393	51.99%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,115	1,115	100.00%	1,028	1,028	100.00%
Female	26	26	100.00%	24	24	100.00%
Total	1,141	1,141	100.00%	1,052	1,052	100.00%
Workers						
Male	679	679	100.00%	723	723	100.00%
Female	0	0	0.00%	0	0	0.00%
Total	679	679	100.00%	723	723	100.00%

Note: Only employees covered in the appraisal process till December are considered.

10. Health and safety management system:

- a) **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company has implemented an Occupational Health and Safety (OHS) management system at its manufacturing units. Both its manufacturing units, Kassar and Kadi are ISO 45001:2018 certified.

- b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

In order to detect work-related hazards, the Company undertakes Hazard Identification and Risk Assessment (HIRA) and Work Safety Analysis for specific tasks. It has formulated measures to mitigate these hazards and risks. The Company also conducts routine inspections to identify any unsafe behaviors.

- c) **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company conducts regular safety trainings and drills to apprise workers of hazards and risks and good safety behavior. All workers are trained and encouraged to report work-related hazards and near misses. The Health and Safety Team analyzes all such cases and observations to formulate and implement corrective action plans.

- d) **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, employees and workers have access to medical services through medical treatment centers within the premises of the plants.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.92	1.46
Total recordable work-related injuries	Employees	0	0
	Workers	1	1
Number of fatalities	Employees	2	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company ensures a safe and healthy workplace by implementing the following measures:

1. Imparting training to employees and workers on a regular basis
2. Provision of job specific PPEs
3. Periodic health check-ups of all employees
4. Formulating safety guidelines based on hazard and risk assessments
5. Identifying and rectifying unsafe acts and unsafe conditions
6. Undertaking Accident/ Incident investigations, Root Cause Analysis and implementing corrective action plans.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil			Nil	
Health & Safety		Nil			Nil	

14. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company extends Term Insurance to its employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that all its statutory dues related to transactions are deducted and deposited in accordance with regulations. It expects its value chain partners to operate in an ethical manner. The same is communicated to the Company's suppliers through its Supplier Code of Conduct.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	2	0	0	0
Workers	1	1	1	1

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	As stated in the Company's Supplier Code of Conduct, all suppliers are expected to provide a safe and healthy working environment to all their respective employees.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

The Company is in the process of streamlining its Supplier Assessment Framework in alignment with the provisions of the Supplier Code of Conduct. Through this framework, the Company aims to assess environmental and social risks in its supply chain.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company has identified key stakeholders that are impacted by it, and whose actions can impact the ability of the Company's operations.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customer	No	<ul style="list-style-type: none"> Advertisement Experience centers Customer meets Satisfaction surveys 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Product satisfaction Product information
Employees	No	<ul style="list-style-type: none"> Email Employee forums Leadership forums Employee surveys Workplace platforms Newsletter 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Learning and development Well-being Grievance redressal Growth opportunities
Suppliers / vendors	No	<ul style="list-style-type: none"> Email Vendor meetings Capacity building 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Quality Local procurement
Government and Regulatory bodies	No	<ul style="list-style-type: none"> Email Policy intervention Advocacy 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> Taxation Promotions Best practices

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> • Email • Newspaper • Advertisement • Website • Notice board 	<ul style="list-style-type: none"> • Quarterly 	<ul style="list-style-type: none"> • Company's quarterly and annual earnings • Regulatory Compliance • Business strategy
Local Community	Yes	<ul style="list-style-type: none"> • Community meetings • Focused group discussion • Grievance redressal 	<ul style="list-style-type: none"> • Annually and on need-based 	<ul style="list-style-type: none"> • Grievances • Feedback • Program improvement sessions • Capacity building

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The management of the Company frequently communicates with its stakeholders, including its shareholders, clients, suppliers, customers, local communities and employees. The Company's Risk Management Committee and CSR Committee report to the Board and are responsible for the sustainability strategy of the Company. They periodically communicate feedback to the board.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company has consulted its stakeholders to formulate its sustainability strategy and identify Key ESG material aspects.

The material aspects encapsulate topics that are most relevant for the Company's stakeholders and business. It has formulated relevant policies, systems, and processes to ensure that they are in alignment with its larger strategy.

The Company will consistently assess these aspects to ensure that it remains aligned with the ever-evolving external environment and its business strategy.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company's CSR approach focuses on the growth of the communities near its workplaces. Through its program, the Company implements many initiatives focused on education, skilling, health, and well-being etc. The Company formulates its programs based on a need assessment in the communities that it operates to address key concerns of all community members.

PRINCIPLE 5: Businesses should respect and promote human rights**Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:**

Category	Current FY (2022-23)			Previous FY (2021-22)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
Employees						
Permanent	245	245	100.00%	148	148	100.00%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	245	245	100.00%	148	148	100.00%
Workers						
Permanent	0	0	0.00%	0	0	0.00%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Workers	0	0	0.00%	0	0	0.00%

Note: All new employees who join the organization are given training on human rights. Only these employees have been accounted for.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	Current FY (2022-23)				Total (D)	Previous FY (2021-22)			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	1,278	0	0.00%	1,278	100%	1,165	317	27.21%	848	72.78%
Male	1,245	0	0.00%	1,245	100%	1,132	312	27.56%	820	72.43%
Female	33	0	0.00%	33	100%	33	5	15.15%	28	84.84%
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Workers										
Permanent	679	66	9.72%	613	90.27%	723	109	15.07%	614	84.92%
Male	679	66	9.72%	613	90.27%	723	109	15.07%	614	84.92%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	1,776	1,644	92.56%	132	7.43%	1,956	1,869	95.55%	87	4.44%
Male	1,764	1,632	92.51%	132	7.48%	1,946	1,859	95.52%	87	4.47%
Female	12	12	100.00%	0	0.00%	10	10	100%	0	0.00%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD) ³	6	2,75,000	1	2,60,000
Key Managerial Personnel (KMP)	4	53,73,000	0	0
Employees other than BoD and KMP	1,241	6,34,461	33	5,39,032
Workers ⁴	679	1,84,759	0	0

Note: The remuneration of the Chairman & Managing Director and Managing Director & CEO have been included in the remuneration for KMPs.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

The HR function of the Company's organization is responsible for addressing human right impacts. As highlighted in its Human Rights Policy, the Company prohibits any form of human rights violations within its operations and value chain. Any violations of the policy or grievances can be reported to Mr. Biju Sebastian, Vice President, Corporate HR.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has instituted the following mechanisms to redress grievances and issues, including Human Rights:

1. A Help Desk has been created to address employee complaints. For any complaints made through the Help Desk or any violations of the standards outlined in the whistle blower policy, business code of conduct and Human Rights policy.
2. In accordance with the Industrial Dispute Act, the Company has instituted a 'Works Committee' with equal representation of management and workers. The Committee convenes every quarter to address any grievances.
3. In accordance with the POSH Act, the Company has an Internal Complaints Committee (ICC) that convenes every quarter to ensure that the Act is being implemented effectively.
4. In accordance with the Factory Act, the Company has a Safety Committee which addresses issues/complaints.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour		Nil			Nil	
Wages						
Other human rights related issues						

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company's Whistle Blower mechanism and POSH Policy allows the complainant to raise any concerns related to discrimination and harassment without the fear of adverse consequences or unfair treatment.

³ Remuneration for Board of Directors includes sitting fees.

⁴ Remuneration for only Permanent Workers

8. **Do human rights requirements form part of your business agreements and contracts?**

Yes, the Company has developed a Supplier Code of Conduct which outlines the Company's expectations with respect to Business Ethics, Environment, Labour and Human Rights. All suppliers are expected to comply with the provisions of the code and translate the requirements of the code to their own suppliers. The code specifically highlights the Company's requirements with respect to child labour, forced labour, safe working conditions, right to collective bargaining, fair compensation, and discrimination.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100.00%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments of Question 9 above.**

Not applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No complaints regarding human rights have been reported in the assessment year. Consequently, the Company has not modified/introduced any business processes.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

The Company is in the process of formulating a process of streamlining its Supplier Assessment framework in alignment with the provisions of the Supplier Code of Conduct. Through this framework the Company aims to assess environmental and social risks (including human rights).

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The infrastructure at the Company's workplace supports visitors and guests with disabilities. It strives towards providing an inclusive workplace and is in compliance with the requirements of the act.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company is in the process of streamlining its Supplier Assessment framework in alignment with the provisions of the Supplier Code of Conduct. Through this framework the Company aims to assess environmental and social risks (including human rights).
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total electricity consumption (A) (GJ)	2,39,798.29	2,05,379.62
Total fuel consumption (B) (GJ)	23,02,366.56	21,14,543.89
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C)	25,42,164.85	23,19,923.52
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Lakhs)	10.48	11.26

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,35,268	1,33,964
(ii) Groundwater	21,627	12,343
(iii) Third party water	1,04,792	91,872
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater harvesting)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,61,687	2,38,179
Total volume of water consumption (in kilolitres)	2,61,687	2,38,179
Water intensity per rupee of turnover (Water consumed / turnover) (KL/Lakhs)	1.08	1.16

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, both the manufacturing units of the Company at Kassar and Kadi are Zero Liquid Discharge (ZLD) plants.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NOx	MT	35.24	27.40
SOx	MT	15.88	10.78
Particulate Matter (PM)	MT	57.19	78.18

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,00,647.57	1,37,589.41
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	43,425.30	42,285.72
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/Lakhs	0.59	0.87

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes, the Company has implemented the following projects to reduce GHG emissions:

- Onsite installation of solar rooftops at two manufacturing units: Kadi and Kassar. It has a total capacity of 3.5 MW (2.5MW at Kassar and 1 MW at Kadi) at present.
- Transitioning to cleaner fuels by using biomass-based fuels such as groundnut cell briquettes, biomass-based pallets, saw dust.
- Implementation of energy efficiency initiatives including:
 - Installation of Double-layer Kiln technologies
 - Installation of Variable Frequency Drives (VFD) in motors
 - Use of energy-efficient motors in Kilns & Horizontal Dryers to reduce electrical power consumption.
 - Waste heat recovery from kilns
 - Reducing the maximum work pressure of air compressors
 - Use of high-efficacy LED lighting
 - Reduction in idle running time through automation of product lines

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
	Current Financial Year	Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,259	1,765
E-waste (B)	1.46	0.95
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	10.38	8.43
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	15,554.21	18,511.04
Other Non-hazardous waste generated (H). Please specify, if any (Break-up by composition i.e. by materials relevant to the sector)	6,129.37	6,178.41
Total (A+B + C + D + E + F + G + H)	23,954.42	26,463.83

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	The Company disposes of all waste through SPCB certified vendors	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
<i>Total</i>		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	The Company disposes of all waste through SPCB certified vendors	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<i>Total</i>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

All the waste produced from the Company's operations is disposed of by authorized SPCB vendors.

The Company's engineering team regularly inspects all equipment and machinery for spills and leakages.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not applicable

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web link
Not applicable					

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is in compliance with all applicable environmental regulations.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
From renewable sources		
Total electricity consumption (A) (GJ)	14,941.07	9,085.81
Total fuel consumption (B) (GJ)	7,41,994.55	1,65,582.44
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	7,56,935.63	1,74,668.25
From non-renewable sources		
Total electricity consumption (D) (GJ)	2,24,857.22	1,96,293.81
Total fuel consumption (E) (GJ)	15,60,372.01	19,48,961.46
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	17,85,229.22	21,45,255.27

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Not applicable, both plants are Zero Liquid Discharge Plants.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)⁵:**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not applicable
- (ii) Nature of operations : Not applicable
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)	Not applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

⁵ Kassar plant is in a safe area and Kadi plant is in a semi-critical area, according to the Central Ground Water Authority (CGWA).

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	At present, the Company has not estimated its Scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of Initiative
1	Fuel Consumption Efficiency	<ul style="list-style-type: none"> Reduction in product thickness Reduction in gas consumption due to the reduced thickness of the tiles Replacement of coal with biomass fuel 	1) Reduction in total weight and fuel usage 2) Reduction in logistics costs 3) Reduction in emissions
2	Production Efficiency	<ul style="list-style-type: none"> Optimisation of glaze material consumption through process improvements 	1) Reduction in raw material consumption

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Risk Management Committee plays a crucial role in formulating the Company's risk management plans for business continuity. The Company has developed location-based Emergency Preparedness Plans to address the following:

1. Fire/Explosion
2. HSD Leakage/Fire/ Storage
3. Natural Gas Leakage
4. Electric Current Leakage
5. Structural Collapse
6. Natural Calamities
7. Food Poisoning

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

The Company has developed a Supplier Code of Conduct that outlines the Company's expectations with respect to Business Ethics, Environment, Labor, and Human Rights. All suppliers are expected to comply with the provisions of the code and translate the requirements of the code to their own suppliers. As stated in the Company's code, suppliers are expected to comply with all environmental standards and regulations. Suppliers are expected to utilize resources efficiently and reduce any negative impact in terms of energy, water, and waste, while disposing of waste in accordance with all regulations. Suppliers are expected to continuously improve their environmental performance by adopting cleaner and resource efficient technologies.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company is in the process of streamlining its Supplier Assessment framework in alignment with the provisions of the Supplier Code of Conduct. Through this framework the Company aims to assess environmental and social risks.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations: 6**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Council of Ceramic Tiles and Sanitary ware (ICCTAS)	National
2	Confederation of Indian Industry (CII)	National
3	PHD Chamber of Commerce and Industry	National
4	Merchant Chamber of Commerce and Industry	National
5	The Associated Chambers of Commerce and Industry of India	National
6	All India Pottery Manufacturer	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

No complaints/orders pertaining to anti-competitive behavior have been filed against the Company.

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
					Not applicable

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
					Not applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
						Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company frequently interacts with local community members through its CSR activities. It undertakes need assessments to identify key concerns and grievances and formulates its CSR programs to address the same. The Company's CSR activities are governed and routinely evaluated by the board.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	100.00 %	100.00 %
Sourced directly from within the district and neighbouring districts	100.00 %	100.00 %

Note: Only for raw materials.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
None			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No

(b) From which marginalized / vulnerable groups do you procure?

None

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

We have not acquired any intellectual property that is based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Brief of the Case
Not applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Mobile Health Unit and other medical services (Tirupati)	1,480	The Company's CSR activities benefit individuals from vulnerable and marginalized groups.
2	Mobile Health Unit and other medical services (Morbi)	7,692	
3	Promoting Education and Skill Development (Mason + Plumbing) (Tirupati)	103	
4	Swachh Bharat Program (Sanitation and Hygiene) ⁶	5,23,000	

⁶ Approximate annual beneficiaries.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has implemented a comprehensive grievance redressal mechanism to address all consumer complaints. All complaints are first reported to the sales and marketing team which then raises the same with the quality team of the concerned manufacturing unit for validation. Post validation, a corrective action plan is prepared and subsequently approved by the head of sales and marketing.

The Company also routinely conducts surveys to gauge customer satisfaction. The Company has a customer feedback questionnaire that is filled by its customers during their visits to the Company-owned Experience Centers (COCO). Results from these surveys are analyzed to identify improvement opportunities.

The Company has also implemented other channels to address consumer grievances including feedback forms, Interactive Voice Response Systems (IVRS) etc.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All the products of the Company contain necessary information in accordance with all applicable regulations.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	None	None	964	34	None
Advertising						
Cyber-security						
Restrictive Trade practices						
Unfair Trade Practices						
Others (Product Quality)	1,228	28				

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a policy on Cyber Security. The Company recognizes the importance of cyber security and is committed to ensuring that all activities pertaining to Information and Technology (IT) are secured against cyber security risks and threats. It has implemented a Cyber Security framework that is ISO 27001:2013 certified to monitor and mitigate all such risks. The web-link of the policy: https://soman-uat.s3.amazonaws.com/investorrelations/s/c/scl_cyber_security_policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were no such issues during the reporting year and hence no corrective actions were needed.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Customers can access information about the Company and its products on the Company's website: www.somanyceramics.com

Additionally, the Company's product labels include all relevant details. The Company routinely updates customers about all its product offerings through brochures, catalogues and branding activities.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company educates its consumers about appropriate and safe usage of products through various channels including mason meets, architect meets and site demonstrations.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company has Standard Operating Procedures (SOPs) that can be followed if vital services are disrupted. These SOPs specify the escalation matrix for raising any concerns/risks pertaining to business continuity. Employees are also trained to monitor all critical services and raise any perceived risks with concerned individuals.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. (Yes/No)**

No, the Company displays information as per applicable laws and regulations only. All its product packaging contains details in accordance with the requirements of the Legal Metrology Act and as per the requirements of ISO 15622: 2017 specified by the Bureau of Indian Standards (BIS).

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

Yes, The Company also routinely conducts surveys to gauge customer satisfaction.

5. **Provide the following information relating to data breaches:**

a. **Number of instances of data breaches along-with impact**

There were no such instances during the current reporting period.

b. **Percentage of data breaches involving personally identifiable information of customers**

There were no such instances during the current reporting period.

Corporate Governance Report

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is aimed at creating and nurturing a valuable bond with stakeholders to maximize 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 the provisions of Companies Act, 2013 ("the Act") read with the Rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015)", having an optimal combination of Executive Directors and Non-Executive Directors including Women Director and Independent Directors with varied professional backgrounds, representing a judicious mix of professionalism, knowledge and experience. As on 31 March, 2023, the Company's Board comprised of Nine (9) directors, of which Two (2) are Executive Directors who are Managing Director, Six (6) are Independent Directors and One (1) is Non-Executive Non-Independent Director. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company, other than sitting fees and commission.

Director	Category	No. of Board Meeting held during the tenure of the Member	No. of Board Meetings attended	Attended last AGM	Number of Directorships in other Companies (\$)	No. of Committee positions held in other Companies @		No. of Shares held
						Chairman	Member	
Mr. Shreekant Somany (DIN: 00021423)	P	4	4	Yes	4	1	3	119538
Mr. Abhishek Somany (DIN: 00021448)	P	4	4	Yes	1	-	-	1933631*
Mr. Salil Singhal (DIN: 00006629)	I	4	2	No	5	-	-	-
Mr. Ravinder Nath (DIN: 00062186)	I	4	3	Yes	1	1	1	-
Mr. Siddharath Bindra (DIN: 01680498)	I	4	2	No	1	-	-	-
Mr. Rameshwar Singh Thakur (DIN: 00020126)	I	4	4	Yes	1	-	-	-
Mrs. Rumjhum Chatterjee (DIN: 00283824)	I	4	4	Yes	1	-	-	-
Mr. Vineet Agarwal (DIN: 00380300)	I	4	3	No	6	-	4	2034
Mr. Ghanshyam Girdharbhai Trivedi (DIN: 00021470)	N	4	4	Yes	1	-	-	2000

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.

*Out of 1933631 equity shares 1914093 equity shares are held as Karta of Abhishek Somany (HUF).

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

*TCI Developers Limited got Delisted on 18 November, 2022.

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, human resource management, sales, marketing administration, research, corporate governance, technical operations and other disciplines related to the Company's business.

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

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

As mandated by Regulation 26 of SEBI (LODR) Regulations, 2015, none of the Directors of the Company are member of more than ten Board Level Committees in Public Companies nor are they Chairperson 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 the father of Mr. Abhishek Somany, Managing Director & CEO of the Company. None of the other Directors are related to any other director on the Board.

BOARD FUNCTIONS

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

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

MEETING OF THE BOARD OF DIRECTORS

There were 4 (Four) Board meetings held during the year 2022-23 i.e. on May 18, August 10, November 10 in 2022 and on February 7 in 2023.

3. CODE OF CONDUCT

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

4. CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The CEO and CFO of the Company have jointly issued a certificate pursuant to provisions of Regulation 17(8) of the SEBI (LODR)

Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and those statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations. The said certificate is annexed and forms part of this Annual Report.

5. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Composition

As at 31 March, 2023, the Audit Committee comprises of Four (4) members, with majority of Independent Directors and as such the Committee meets the constitution requirements in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. The constitution of the Audit Committee is Mr. Rameshwar Singh Thakur, Chairman of the Committee and Mr. Salil Singhal, Mr. Vineet Agarwal, 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 (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors.

Terms of Reference

Brief description of the terms of reference are :-

1. Overseeing the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transaction.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors of any significant findings and follow up thereon.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. Reviewing the functioning of Whistle Blower Mechanism.
 19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
 20. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
 21. To review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given;
 22. To review the financial statements, in particular, the investments made by the unlisted subsidiary;
 23. To take note of an annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditors of the listed entity, and place it before the Audit Committee till such time the full money raised through the issue has been fully utilized;
 24. To take note of following indications made by Chief Executive Officer or Chief Financial Officer of the Company, if any;
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
25. To review the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
26. To review the following statement(s) on a quarterly basis for public issue, rights issue, preferential issue etc.
- (a) indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable;
- (b) indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilization of funds.
27. The Audit Committee shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
28. Carrying out any other function as mentioned in the terms of reference of the Audit Committee as may be specified under the provisions of the Companies Act, 2013 and /or SEBI (LODR) Regulations, 2015 and such other provisions, as may be applicable.

Invitees to the Audit Committee

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

Frequency of Meetings

During the year 2022-23, 4 (Four) Audit Committee meetings were held on May 18, August 10, November 10 in 2022 and on February 7 in 2023.

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)	4	4
Mr. Vineet Agarwal (Member)	4	2
Mr. Salil Singhal (Member)	4	3
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	4

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

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, Independent Director, Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non-Independent Director and Mr. Shreekant Somany, Chairman and Managing Director. Mr. Ambrish Julka, Sr. General Manager (Legal) and Company Secretary of the Company is the Compliance Officer. Total Four meetings of this Committee were held during the year 2022-23, i.e. on May 18, August 10, November 10 in 2022 and on February 7 in 2023. During the year under review, no complaints were received and nil complaints are pending as on 31 March, 2023.

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. Shreekant Somany (Member)	4	4
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	4

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

NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee comprising of Four (4) Non-Executive Directors, of which more than half are Independent Directors. Mr. Salil Singhal, Non-Executive Independent Director is the Chairman of the Committee. Mr. Siddharath Bindra, Non-Executive Independent Director, Mr. Rameshwar Singh Thakur, Non-Executive Independent Director and Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non-Independent Director are other members of the Committee.

During the year 2022-23, Four (4) Committee meetings were held i.e. on May 18, August 10, November 10 in 2022 and February 7 in 2023.

The attendance of the Nomination and 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)	4	2
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member)	4	4
Mr. Rameshwar Singh Thakur (Member)	4	4

Mr. Rameshwar Singh Thakur, Chairman of Audit Committee and Stakeholders Relationship Committee, attended the last Annual General Meeting on behalf of Mr. Salil Singhal (Chairman of Nomination and Remuneration Committee), duly authorized by him, to answer shareholders queries.

Terms of Reference

Terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in the SEBI (LODR) Regulations, 2015, and Section 178 of the Companies Act, 2013, that inter-alia includes:

To Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees. The Committee is required to formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors and is responsible to devise a policy on diversity of Board of Directors.

To identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment, removal and all remuneration, in whatever form, payable to senior management.

To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

To specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS AND THE BOARD:

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

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bonafide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;

- f) Inform the Board immediately when they lose their independence;
- g) Assist the Company in implementing the best corporate governance practices;
- h) Strive to attend all meetings of the Board of Directors;
- i) Strive to attend and participate constructively and actively in the committees of the Board in which they are Chairpersons or Members;
- j) Strive to attend the general meetings of the Company;
- k) Keep themselves well informed about the Company and the external environment in which it operates;
- l) Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- n) Abide by Company's Memorandum and Articles of Association, Company's Policies and procedures including code of conduct, insider trading guidelines etc.

The performance of Executive Directors is also evaluated on the basis of Targets/ Criteria met by them, as given by the Board from time to time. Details of the Remuneration paid/payable to Directors for the Financial Year 2022-23 are as follows:

(In Lakhs)				
Directors	Salary & Perquisites (₹) **	Commission for 2022-23 (₹)	Sitting Fees (₹)	Total (₹)
Mr. Shreekant Somany*	299.53	100.00	-	399.53
Mr. Abhishek Somany*	470.93	140.78	-	611.71
Mr. Salil Singhal	-	2.00	0.75	2.75
Mr. Ravinder Nath	-	2.00	0.45	2.45
Mr. Siddharath Bindra	-	2.00	0.75	2.75
Mr. Ghanshyam Girdharbhai Trivedi	-	2.00	1.35	3.35
Mr. Rameshwar Singh Thakur	-	2.00	1.30	3.30
Mrs. Rumjhum Chatterjee	-	2.00	0.60	2.60
Mr. Vineet Agarwal	-	2.00	0.60	2.60

*Managing Directors are not entitled for sitting fee.

**The remuneration includes Company's contribution to Provident 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 and Managing Director & CEO may be terminated by giving three calendar months' notice or alternatively three months' salary in lieu of notice. No severance fees is payable to them under their respective service agreements entered into by them with the Company.

Apart from sitting fees, the Non-Executive directors of the Company are entitled for commission not exceeding 1% of net profits of the Company in terms of resolution passed by the Shareholders of the Company at their Annual General Meeting held on 30 August, 2018 up to and for the Financial Year ended 31 March, 2023. The Nomination and Remuneration Committee recommends to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.

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

There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The Board of Directors had reconstituted Corporate Social Responsibility Committee in its meeting held on 18 May, 2022 by induction of Mr. Ghanshyam Girdharbhai Trivedi, Non-Executive Non- Independent Director as a member of the Committee. During the year ended 31 March, 2023, 4 (Four) Committee meetings were held i.e. on May 18, August 10, November 10 in 2022 and on February 7 in 2023, details of which are as under:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany (Chairman)	4	4
Mr. Salil Singhal (Member)	4	2
Mr. Ravinder Nath (Member)	4	-
Mr. Siddharath Bindra (Member)	4	2
Mr. Ghanshyam Girdharbhai Trivedi (Member).	3	3

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee comprising of Mr. Abhishek Somany, Managing Director and CEO, Mr. Rameshwar Singh Thakur, Non- Executive Independent Director, Mr. Vineet Agarwal, Non-Executive Independent Director, Mr. Ashawani Kumar Mani, Assistant Vice President, Mr. Sailesh Raj Kedawat, Chief Financial Officer. Mr. Abhishek Somany, Managing Director and CEO, is the Chairman of the Committee and Mr. Bikash Mishra, Assistant General Manager is the Coordinator of the Committee and others are members of the Committee.

During the year 2022-23, Mr. Saikat Mukhopadhyay ceased to be the Chief Financial Officer of the Company w.e.f. 31 May, 2022 and consequently ceased to be a member of Risk Management Committee from that date.

Thereafter, the Board in its meeting held on 10 August, 2022 inducted Mr. Sachin Jain, Sr. General Manager-Accounts & Finance as Member of the Committee. Further, the Board in its meeting held on 10 November, 2022 inducted Mr. Sailesh Raj Kedawat, Chief Financial Officer in place of Mr. Sachin Jain and Mr. Ashavani Kumar Mani, Assistant Vice President in place of Mr. Amir Mahapatra, Vice President, as the members of the Committee.

During the year 2022-23, Three (3) Committee meetings were held i.e. on May 20, August 10, in 2022 and February 7 in 2023.

The attendance of the Risk Management Committee Meetings is given below:

Name of Member/Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Abhishek Somany (Chairman)	3	3
Mr. Rameshwar Singh Thakur (Member)	3	2
Mr. Vineet Agarwal (Member)	3	1
Mr. Sailesh Raj Kedawat (Member)	1	1
Mr. Ashavani Kumar Mani (Member)	1	1
Mr. Saikat Mukhopadhyay (Member)	1	1
Mr. Sachin Jain (Member)	-	-
Mr. Amir Mahapatra (Member)	2	1
Mr. Bikash Mishra (Coordinator)	3	3

Terms of Reference

Terms of reference of Risk Management Committee are as follows:

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor, evaluate risks associated with the business of the Company and ensuring the cyber security of the Company;
 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. To keep the Board of Directors informed periodically about the nature and content of its discussions, recommendations and actions to be taken;
 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee comprising of Mr. Shreekant Somany, Chairman, Mr. Abhishek Somany and Mr. Siddharath Bindra, Members of the Committee. The Committee met 12 (Twelve) times during the year under review. The Board has delegated the power of Share Transfer to the Company's Registrar & Share Transfer Agents, who processes the transfers, in respect of physical and shares under Demat. During the year under review, total of 4500 shares were transmitted and dispatched within the stipulated time period specified under the laws, documents for which found valid in all respects.

COMPANY ADMINISTRATIVE COMMITTEE

The Company Administrative Committee was constituted by the Board for considering matters routine in nature and matters required to be resolved between two Board Meetings of the Company. Mr. Shreekant Somany, Chairman and Managing Director of the Company, is the Chairman of the Committee. Mr. Abhishek Somany, Managing Director and CEO, Mr. Salil Singhal and Mr. Siddharath Bindra, Non-Executive Independent Directors of the Company are other members of the Committee. During the year ended 31 March, 2023, three Committee meetings were held i.e. on September 21, November 25 in 2022 and March 3 in 2023 which was attended by the members as under:

Name of Member Director	No. of Meetings held during the tenure of the member	No. of Meetings attended
Mr. Shreekant Somany (Chairman)	3	3
Mr. Abhishek Somany (Member)	3	3
Mr. Salil Singhal (Member)	3	2
Mr. Siddharath Bindra (Member)	3	3

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 (LODR) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 27 March, 2023 and attended by the Independent Directors except Mr. Siddharath Bindra 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 familiarized with their roles, rights and responsibilities in the Company as well as the nature of industry in which the Company operates through induction programs at the time of their appointment as Director. On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program giving brief description on Company's manufacturing, marketing, finance and other important aspects. The Directors are briefed about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Business and Functional heads. The details of familiarization programs for Independent Directors are uploaded on the website of the Company, i.e. www.somanyceramics.com at the weblink: <https://www.somanyceramics.com/investor-relation/training-to-directors>

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 (LODR) Regulations, 2015, the Board has carried out evaluation of its own performance, performance of Individual Directors and as well as that of its Committees, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of Board's functioning such as composition of Board & its Committees, experience and competencies, performance of specific duties obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors, including the Board as a whole, Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, 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 at the weblink: https://somany-uat.s3.amazonaws.com/investorrelations/v/i/vigil_mechanism_whistle_blower_policy_revised_16-06-2021.pdf. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

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 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 and at the web link i.e. https://somany-uat.s3.amazonaws.com/investorrelations/p/o/policy_on_material_subsidiaries_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 (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND-AS 24) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.somanyceramics.com at the web link i.e. https://d3bvng1ozw4ph9.cloudfront.net/media/investorrelation/r/p/rpt_policy_w.pdf

Omnibus approval was granted by Audit Committee for transactions contemplated to be undertaken by the Company with related parties subject to approval of the shareholders of the Company, wherever, required.

12. GENERAL BODY MEETINGS

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

Special Resolutions passed in the previous three Annual General Meetings

Date of Meeting held	Location and Time of Meeting	Subject matter of the Resolution
23 September, 2022	Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 11:00 A.M. (IST)	<ul style="list-style-type: none"> Re-Appointment of Mr. Abhishek Somany (DIN: 00021448) as the Managing Director & Chief Executive Officer of the Company for a period of 3 (Three) consecutive years, commencing from 1 June, 2023 till 31 May, 2026 Approval for Remuneration by way of Commission to Non-Executive Directors Re-appointment of Mr. Rameshwar Singh Thakur (DIN: 00020126) as an Independent Director for his second term of five (5) consecutive years. Re-appointment of Mrs. Rumjhum Chatterjee (DIN: 00283824) as an Independent Director for her second term of five (5) consecutive years Authorize borrowings by way of issuance of Non-Convertible Debentures/Bonds/Other similar Instruments
15 September, 2021	Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 12 Noon (IST)	<ul style="list-style-type: none"> Approval of shareholders for continuation of directorship of Mr. Ghanshyam Girdharbhai Trivedi (DIN: 00021470) after attaining age of 75 years as a Non-Executive Non-Independent Director of the Company. Authorize borrowings by way of Issuance of Non-Convertible Debentures/ Bonds/ Other similar Instruments.
18 August, 2020	Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at 12 Noon (IST)	<ul style="list-style-type: none"> Authorize borrowings by way of Issuance of Non-Convertible Debentures/ Bonds/ Other Similar Instruments. Re-appointment of Mr. Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a further period of 3 (Three) consecutive years, commencing from 1 September, 2020 till 31 August, 2023.

Postal ballot

A. Details of resolutions passed through Postal Ballot:

The Company sent Postal Ballot notice dated 10 December, 2021 to the members seeking their approval through Postal Ballot for passing the following Special resolutions:

Resolution No. 1: Approval for adoption of Somany Ceramics Employee Stock Option Plan 2021 and grant of Employee stock options to the Eligible Employees/Directors of the Company thereunder.

Resolution No. 2: Approval for adoption of Somany Ceramics Employee Stock Option Plan 2021 and grant of stock options to the Eligible Employees/ Directors of group companies including Subsidiary or Associate Companies thereunder.

The Company had appointed Mr. Akshit Kumar Jangid (FCS 11285), Partner, Pinchaa & Co., Company Secretaries as the scrutinizer for conducting the Postal Ballot process. Accordingly, the postal Ballot was conducted by the scrutinizer and a report was submitted to the Chairperson.

The results of the voting conducted through Postal Ballot, declared on 8 April, 2022, are as under:

Resolution No. 1

Particulars	Votes in favor of the Resolution		Votes against the resolution	
	Number of Shares	Percentage of valid votes cast	Number of Shares	Percentage of valid votes cast
Remote e-voting	29322447	91.2	2808118	8.7
Total	29322447	91.2	2808118	8.7

Resolution No. 2

Particulars	Votes in favor of the Resolution		Votes against the Resolution	
	Number of Shares	Percentage of valid votes cast	Number of Shares	Percentage of valid votes cast
Remote e-voting	29321982	91.2	2808583	8.7
Total	29321982	91.2	2808583	8.7

B. Procedure of Post Ballot:

The aforesaid Postal Ballot was conducted by the Company as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and General Circular Nos. 14/2020 dated 8 April, 2020, 17/2020 dated 13 April, 2020, 22/2020 dated 15 June, 2020, 33/2020 dated 28 September, 2020, 39/2020 dated 31 December, 2020, 10/2021 dated 23 June, 2021 and 20/2021 dated 8 December, 2021, issued by the Ministry of Corporate Affairs.

C. As on the date of this report, there is no special resolution which is proposed to be passed through postal ballot.

14. DISCLOSURES

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

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

The Independent Directors have confirmed that they meet the criteria of Independence as stipulated under Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

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

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

15. DISCRETIONARY REQUIREMENTS

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also

complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. Company's financial statements are unmodified and Company continues to adopt best practices to ensure the regime of unmodified opinion.
2. The reports of Internal Auditor are placed directly before the Audit Committee.

16. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results of the Company are generally published in The Financial Express (English Edition) New Delhi, Kolkata & Mumbai and Jansatta, New Delhi (Hindi Edition), and Ekdin (Kolkata) (Bengali Edition) newspapers. The results of the Company are submitted to the National Stock Exchange of India Limited and BSE Limited in accordance with the SEBI (LODR) Regulations, 2015 and posted on its website: www.somanyceramics.com.

The official news releases/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>. The Company interact with their shareholders through various means of communication i.e. Print Media, Company's website, Annual Report etc.

17. GENERAL SHAREHOLDER'S INFORMATION**Registered Office:**

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

Plant locations

1. V & P.O Kassar, Bahadurgarh Distt. Jhajjar, Haryana – 124507
Phone: 01276-223300 Fax: 01276-241011
Email: diwakar.bishnoi@somanyceramics.com
2. GIDC Industrial Area, Distt. Mehsana, Kadi, Gujarat – 382715
Phone: 02764-242153/54, Fax : 02764-263011
Email: sunil.das@somanyceramics.com

18. DATE AND VENUE OF ANNUAL GENERAL MEETING

The 55th Annual General Meeting of the Company will be held on Friday, the 25 August, 2023 at 11:30 A.M. through Video Conferencing or Other Audio Visual Means.

19. FINANCIAL CALENDAR: APRIL 1 TO MARCH 31

Financial Reporting for 2023-24 is as follows:

- First Quarter : Second week of August, 2023
Second Quarter : Second week of November, 2023
Third Quarter : Second week of February, 2024
Fourth Quarter : Fourth week of May, 2024

20. DIVIDEND AND BOOK CLOSURE DATE

The Board of Directors of the Company has recommended a dividend of ₹ 3/- per equity share of ₹ 2/- each for the year ended 31 March, 2023 subject to the approval of the shareholders at

the 55th Annual General Meeting of the Company and if approved, the amount of dividend will be paid and dividend warrants will be dispatched to the eligible shareholders on or before 23 September, 2023.

The Share Transfer Books shall remain closed from 19 August, 2023 to 25 August, 2023.

21. LISTING ON STOCK EXCHANGE

Shares of the Company are listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid annual listing fees to both the Exchanges for the financial year 2023-24.

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

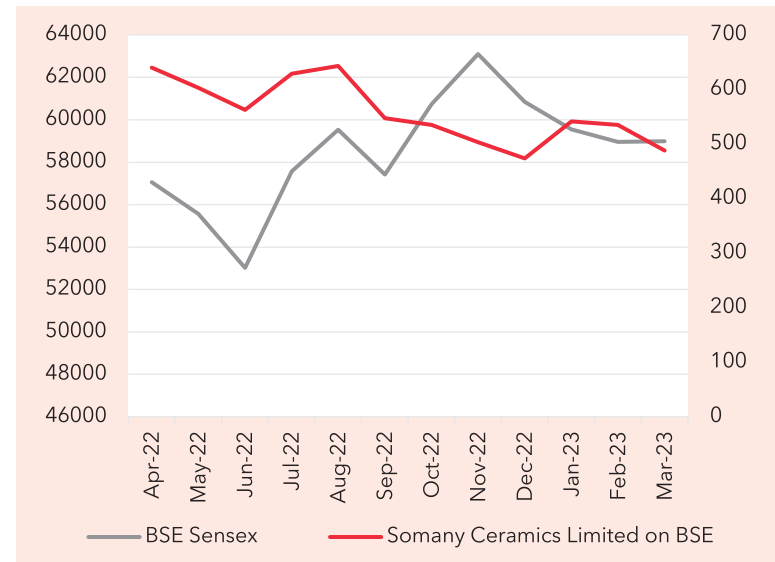
Market Price Data: High and Low for the period from 1 April, 2022 to 31 March, 2023

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-22	738.85	599.70	1400604	729.80	620.80	181616
May-22	647.25	533.35	663311	647.75	535.00	161454
Jun-22	628.00	511.00	204203	615.00	512.50	17662
Jul-22	637.90	556.00	323927	650.00	557.35	26177
Aug-22	700.00	615.60	548069	694.00	615.65	37780
Sep-22	655.30	530.85	957766	655.00	535.20	45853
Oct-22	591.00	525.00	351352	590.00	525.20	25651
Nov-22	555.00	490.00	774082	553.75	490.00	41735
Dec-22	555.00	446.00	1179905	555.00	445.40	67623
Jan-23	569.80	470.10	1799836	569.35	468.10	396498
Feb-23	561.50	520.00	752880	562.25	517.40	332924
Mar-23	548.80	475.00	1097044	547.35	475.80	77283

*Source: Official website of BSE and NSE

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES**BSE SENSEX VS SOMANY CERAMICS LIMITED SHARE PRICE**

Month	Closing Price of Equity Shares at BSE (in ₹)	BSE Sensex (in ₹)
April 2022	640.05	57060.87
May 2022	603.20	55566.41
June 2022	562.55	53018.94
July 2022	628.80	57570.25
August 2022	643.15	59537.07
September 2022	547.50	57426.92
October 2022	535.15	60746.59
November 2022	503.35	63099.65
December 2022	473.70	60840.74
January 2023	541.60	59549.90
February 2023	534.85	58962.12
March 2023	488.40	58991.52

**22. REGISTRAR & SHARE TRANSFER AGENT**

(Both for physical and demat segment) Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Phone No. 033-2243 5029/2248 2248, E-mail: mdpldc@yahoo.com

23. SHARE TRANSFER SYSTEM

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within stipulated timeline from the date of receipt, if the documents are in order in all respects. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Practicing Company Secretary for due compliance of share transfer formalities during the period ended 31 March, 2023. However, it may be noted that as per Regulation 40(1) of SEBI (LODR) Regulations, 2015, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, the transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

24. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2023

No. of Equity Shares	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shareholding
1 to 500	28740	94.2	1720278	4.1
501 to 1000	904	2.9	683977	1.6
1001 to 2000	381	1.2	566693	1.3
2001 to 3000	130	0.4	329868	0.8
3001 to 4000	80	0.3	288623	0.7
4001 to 5000	60	0.2	278815	0.7
5001 to 10000	111	0.4	785086	1.8
10001 and Above	118	0.4	37820868	89.0
Total	30524	100.0	42474208	100.0

Categories of Shareholding as on 31 March, 2023.

Category	Number of Shares	Percentage (%)
Indian Promoters	23269489	54.8
Mutual Funds & UTI, Alternate Investment Funds	9026012	21.2
Banks, Financial Institutions, Insurance Companies	327505	0.8
NBFCs Registered with RBI	NIL	NIL
Foreign Portfolio Investors (Institution)	585606	1.4
Foreign Portfolio Investors (Individual)	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Corporate Bodies	1183321	2.8
Indian Public (Including HUF)	7710581	18.1
NRIs/Foreign Companies	164919	0.4
Investor Education and Protection Fund Authority	176262	0.4
Trusts	3	0.00
Clearing Members	30510	0.1
Total	42474208	100.0

25. DEMATERIALIZATION OF SHARES

The Company's equity shares enjoy the DEMAT facilities with NSDL as well as CDSL. The shares held in dematerialized form in CDSL are 25,23,288 (5.94%) and in NSDL are 3,97,34,945 (93.55%) representing 4,22,58,233 (99.49%) Equity shares of the paid-up capital of the Company as on 31 March, 2023. The total shares held in physical form are 2,15,975 (0.51%).

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

No GDRs/ADRs/ Warrants or any Convertible instruments were issued during the year 2022-23 and there were no outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31 March, 2023, which would have an impact on the equity of the Company.

27. STOCK OPTIONS

The Nomination and Remuneration Committee and Board of Directors of the Company in their meeting held on 10 December, 2021 approved the Somany Ceramics Employee Stock Plan 2021 (hereinafter to be referred as "Somany Ceramics Employee Stock

Option Plan 2021" or the "Plan" or "Scheme") for grant of 4,23,794 Options to Eligible Employees/Directors of the Company and/or group companies including Subsidiary or Associate Companies and recommended the same to the Shareholders of the Company for their approval.

The Plan was approved by the shareholders of the Company on 7 April, 2022 through Postal ballot. As per Regulation 12(3) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company obtained in-principle approval of the stock exchanges prior to the grant of options.

The Nomination and Remuneration Committee granted 3,50,102 options to 33 eligible employees of the Company on 29 April, 2022. The grant of options was done at the latest available closing price prevailing on the National Stock Exchange of India Limited being the Stock Exchange which recorded the highest trading volume in the Equity Shares of the Company on 28 April, 2022 i.e. the previous trading day immediately preceding the date on which the grant of Options was approved by the Committee.

During the year 34806 options lapsed/forfeited due to resignation of some of the employees of the Company. Further in the second tranche 1,01,107 options were granted to 13 eligible employees on 7 February, 2023. The certificate from the Secretarial Auditor of the Company certifying that the scheme is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with resolution passed by the Members in general meeting is received by the Company.

The disclosure required under Regulation 16 (2) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 were duly made to the prospective option grantees. The details of the Plan are available on the Weblink <https://somanyceramics.com/investorrelations/cb5c5ad3-617d-4c1d-9756-307fd317d4a7-1690635607759.pdf>

28. COMMODITY PRICE/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2022-23, there have been increase in input costs primarily on account of gas price resulting in pressure on profitability. These inputs do not fall under the preview of commodities that can be covered through any hedging structure. As far as foreign exchange risk is concerned, there is no significant foreign exchange exposure. Further the regular monitoring mechanism is in place to take necessary steps to minimize foreign exchange risks.

29. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Akshit Kumar Jangid, Partner of Pinchaa & Co., Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or such any other authority. This certificate is enclosed as **Annexure – A**.

30. CONTACT FOR CLARIFICATION ON FINANCIAL STATEMENTS:

Individuals may contact

Mr. Sailesh Raj Kedawat (Chief Financial Officer), at:
F-36, Sector-6, Noida – 201301, Uttar Pradesh
Phone: 0120 - 4627900
Email: sailesh.kedawat@somanyceramics.com

Shareholder's Enquiries: Individuals may contact

Mr. Shyamal Banerjee at:
2, Red Cross Place, Kolkata – 700 001 Phone : 033-22487406/ 5913
Email : sclinvestors@somanyceramics.com

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

31. CREDIT RATINGS

The Company has maintained the rating from CRISIL for Bank Loan during the year 2022-23 as under:-

Rating Agency	Rating	
CRISIL	Long-term Rating	AA-
	Short-term Rating	A1+

32. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON- MANDATORY REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

During the year, the Company has complied with the mandatory requirements as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With respect to the Compliance with the non-mandatory requirements pursuant to Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the following non-mandatory requirements:

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

33. DETAILS PERTAINING TO UTILIZATION OF FUNDS

During the previous financial year 2021-22, the Company had fully utilized the proceeds of ₹ 11,999.97 Lakhs (including issue expenses of ₹ 307.34 Lakhs), raised through qualified institutions placement of equity shares in December, 2015, for the purpose the funds were so raised.

OTHER DISCLOSURES

The total fee payable by the Company and its subsidiary(ies), on consolidated basis, to the Statutory Auditors, M/s. Singhi & Co., and all entities in the network firm/ network entity of which it is a part, for the Financial year 2021- 22 and 2022-23 is ₹ 24.68 Lakhs and ₹ 26.62 Lakhs respectively out of which a sum of ₹ 24.12 Lakhs have been paid during the Financial Year 2022-23.

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

During the Financial Year 2022-23, the Company did not raise any funds through preferential allotment or qualified institutions placement.

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

34. 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

35. PARTICULARS IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING 55TH ANNUAL GENERAL MEETING OF THE COMPANY, PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Mr. Abhishek Somany

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

Joining SCL in 1995, he demonstrated exceptional dedication and expertise, steadily ascended through the ranks from a Management Trainee to the esteemed position of President of Domestic Marketing. Subsequently, he assumed the role of Executive Director before assuming the mantle of Managing Director. In his present capacity, Mr. Somany bears the weight of operational responsibility and oversees the day-to-day functioning of the company. He also actively contributes to the strategic domains of Product Designing, Sales, and Marketing, ensuring their continued growth and success. He also engages in the company's CSR initiatives. Under his esteemed leadership, Somany Ceramics Ltd. has achieved a prominent position in the industry, earning prestigious awards and global recognition.

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

The details of his directorship and membership in Companies are given below:

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Positions held in				
			Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
1.	Somany Ceramics Limited	Managing Director & CEO	-	-	-	Chairman	Chairman
2.	Somany Bathware Limited	Director	-	-	-	-	-

Mr. Shreekant Somany

Mr. Shreekant Somany has exhibited exemplary leadership in establishing the brand as a prominent household name both in India and abroad. Under his astute guidance, the Company has emerged as a leading manufacturer of Tiles, Sanitaryware, and Bath fittings. Notably, he has pioneered a revolutionary 'VC SHIELD' technology, which has revolutionized the industry by significantly enhancing tile durability. This noteworthy achievement has made SCL the first Indian ceramic tile company to secure a patent under the Indian Patent Act.

His exceptional technical expertise has garnered recognition from esteemed organizations, including the prestigious American Ceramic Society, where he received the Corporate Technical Achievement award. He has also contributed significantly to various industry bodies, holding esteemed positions such as Founder & Past Chairman of the Confederation of Constructions Products and Services (CCPS), Past Chairman of Indian Council for Ceramic Tiles and Sanitaryware (ICCTAS), and Past Chairman of the Confederation of Indian Industry Northern Region. Additionally, he served as the Past President of the Indian Ceramic Society and is an active member of the CII National Council. He also served as the Chairman of the CII National SME Council. He is presently the Chairman of CII Centre of Excellence for Competitiveness for SMEs.

Under his visionary leadership, Somany Ceramics Limited has excelled, driven by innovation and a commitment to excellence.

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Positions held in			
			Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Risk Management Committee
1.	Somany Ceramics Limited	Chairman & Managing Director	-	-	Member	-
2.	Shree Cement Limited	Director	Chairman	Member	-	-
3.	JK Tyre and Industries Limited	Director	Member	-	Member	Chairman
4.	Somany Bathware Limited	Director	-	-	-	-
5.	SR Continental Limited	Director	-	-	-	-

Mr. Vineet Agarwal

Mr. Vineet Agarwal, a dynamic individual aged around 49 years, holds a prestigious degree from Carnegie Mellon University and an esteemed education from Harvard Business School. Currently serving as the Managing Director of Transport Corporation of India Limited, Mr. Agarwal is a prominent figure in the industry. His influential role extends beyond his Company as he serves as the Past President of ASSOCHAM and holds the esteemed position of founding National President of the Young Leaders Council at the All India Management Association.

He has served as a director on the International Board of the Young President Organization (YPO). He has been actively involved in various non-government organizations, particularly in creating AIDS awareness programs and establishing skill development centers across the country. His commitment to social causes has garnered recognition, as he was honoured with the Young CEO of the Year award by CEO magazine in 2014. In 2017, the Government of India recognized his entrepreneurial prowess by nominating him as one of the 200 young entrepreneurs under the 'Champions of Change' initiative.

Furthermore, his exceptional leadership earned him the prestigious CEO of the Year 2018 award from the Indian Institute of Material Management. Mr. Agarwal's journey is marked by his multifaceted contributions to the corporate realm, social causes, and his relentless pursuit of excellence. His ability to drive positive change and lead with distinction makes him an inspirational figure in the business landscape.

The details of the directorship and membership in Companies are given below:

S. No.	Name of the Public Limited Company in which he is a Director	Chairman/ Director	Positions held in			
			Audit Committee	Nomination and Remuneration Committee	Stakeholder's Relationship Committee	Risk Management Committee
1.	Somany Ceramics Limited	Independent Director	Member	-	-	Member
2.	Transport Corporation of India Limited	Managing Director	-	-	-	Member
3.	TCI Express Limited	Director	Member	-	Member	-
4.	TCI Developers Limited	Director	-	Member	Member	Member
5.	TCI-Concor Multimodal Solution Private Limited ("Deemed Public Company")	Chairman-Director	-	-	-	-
6.	The Associated Chambers of Commerce and India	Director	-	-	-	-
7.	TCI Cold Chain Solutions Limited	Chairman-Director	-	-	-	-

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

Shreekant Somany

Chairman & Managing Director

DIN No.: 00021423

36. UNCLAIMED SUSPENSE ACCOUNT

Details with respect to the Equity Shares held in unclaimed suspense account of the Company are as under:

Particulars	No. of Shareholders	No. of Shares Held
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	4 (Four)	59
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL	NIL
Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	4 (Four)	59

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

37. LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company and its subsidiaries have not provided any loans and advances to any firms/companies in which Directors are interested.

38. DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm and declare that, all the Directors and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct of the Company, in so far as it is applicable to them, and there is no non-compliance thereof during the year ended 31 March, 2023.

Abhishek Somany

Managing Director & CEO

DIN: 00021448

Place: Noida

Date: 23 May, 2023

39. CEO/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 31 March, 2023 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

Abhishek Somany

Managing Director & CEO

DIN: 00021448

Place: Noida

Date: 23 May, 2023

Sailesh Raj Kedawat

Chief Financial Officer

"Annexure-A"

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Somany Ceramics Limited having CIN:L40200WB1968PLC224116 and having registered office at 2, Red Cross Place Kolkata WB 700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations, representations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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	Mr. Salil Singhal	00006629	27/07/2002
2	Mr. Rameshwar Singh Thakur	00020126	24/05/2018
3	Mr. Shreekant Somany	00021423	01/09/1992
4	Mr. Abhishek Somany	00021448	03/09/2001
5	Mr. Ghanshyam Girdharbhai Trivedi	00021470	01/09/2017
6	Mr. Ravinder Nath	00062186	26/09/2003
7	Mrs. Rumjhum Chatterjee	00283824	01/09/2018
8	Mr. Vineet Agarwal	00380300	01/05/2019
9	Mr. Siddharath Bindra	01680498	26/05/2014

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

For Pinchaa & Co.

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

Place: Jaipur
 Date: 23 May, 2023
 UDIN: F011285E000355013

Akshit Kr. Jangid
Partner

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

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, 2023, 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, 2023, 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, 2023. 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 financial assets</p> <p>The carrying amount of trade and other financial assets of the Company was ₹ 47,688.43 Lakhs as at March 31, 2023.</p> <p>(Refer Note no. 2.18, 5, 6, 10, 13 and 14 to the financial statements.)</p> <p>The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</p> <p>We focused on this area because of its significance and the degree of judgment required to estimate the expected credit loss and determining the carrying amount of trade and other receivables as at the reporting date.</p>	<p>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 financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other receivables. We have obtained year-end balance confirmations for inter corporate deposits and obtained confirmation from selected customers as on date determined by us. 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 financial assets to be reasonable.</p>

Independent Auditor's Report (Contd.)

S.N.	Key Audit Matter	Auditor's Response
2.	<p>Valuation of inventories</p> <p>As at March 31, 2023, the total carrying amount of inventories was ₹ 22,125.33 Lakhs (Refer Note 2.15 and 8 to the financial statements)</p> <p>The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing and turnover rate.</p>	<p>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 at March 31, 2023, the total carrying amount of current investments was ₹ 2,962.72 Lakhs (net of impairment of ₹ 1844.73 Lakhs). (Refer Note 9 to the financial statements)</p> <p>Current investments include quoted debentures and mutual funds. Fair valuation of quoted debentures involves significant estimation uncertainty, subjective assumptions and the application of significant judgement due to illiquid in nature. 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, 2023 and testing for impairment. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

OTHER INFORMATION

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

Independent Auditor's Report (Contd.)

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Independent Auditor's Report (Contd.)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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) specified under Section 133 of the Act;
 - E. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
 - b. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d.
 - i. The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61B to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - ii. The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 61B to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Independent Auditor's Report (Contd.)

- e. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement
- H. As stated in Note 51 to the standalone financial statements
 - a. The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - b. The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- I. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software

which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- J. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Membership No. 088926
UDIN: 23088926BGXBBE2863

Place: Noida (Delhi-NCR)

Date: 23 May, 2023



Annexure A to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Standalone Financial Statements as of and for the year ended on March 31, 2023 (refer to in paragraph 1 of our report on other legal and regulatory requirements)

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified once in every three years in phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed.
- (c) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except following immovable properties acquired by the Company pursuant to Scheme of Amalgamation (refer note no. 62B to the Standalone financial statements)

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	9.53	Erstwhile Schablona India Limited (Amalgamating Company)	No	April 01, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal. (Refer Note no. 62)	Refer Note no. 62B to the Standalone Financial Statements
Property, Plant and Equipment	Building	126.50		No		

- (d) On the basis of our examination of records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Therefore, provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- ii) (a) According to the information and explanations given to us and records examined by us, the inventories have been physically verified by the management during the year and in our opinion, coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to the book records.
- (b) The Company has been sanctioned working capital limit from banks on the basis of security of current assets. There is no material difference between books of account of the respective quarters and quarterly returns/ statements filed by the Company with the banks.
- iii) (a) Based on the books of account examined by us and according to information and explanation given to us, the Company has granted loans or provided advances in the nature of loans, or stood guarantee, or provided security during the year to the followings:

Annexure A to Independent Auditor's Report (Contd.)

Particulars (in ₹ Lakhs)	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted/provided during the year:				
-Subsidiaries*	-	-	9,273.00	-
-Associates	-	-	-	-
-Joint Ventures	-	-	-	-
-Others	-	-	200.00	-
Balance outstanding as at balance sheet date in respect of above cases:				
-Subsidiary*	-	-	4,456.00	-
-Associates	-	-	-	-
-Joint Ventures	-	-	-	-
-Others	-	-	80.00	-

*Subsidiary as per Indian Accounting Standards

- (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the Company's interest.
- (c) The schedule of repayment of principal and payment of interest with respect to loans have been stipulated and repayments or receipts of interest have been regular during the year.
- (d) Based on the books of account and other relevant records examined by us, there is no amount overdue for more than 90 days.
- (e) According to the information and explanations given to us and records examined by us, we have not come across any case where the loan or advance in the nature of loan granted which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and records examined by us, no loans or advances in the nature of loans has been granted during the year which are either repayable on demand or without specifying any terms or period of repayment. Therefore, provisions of the clause 3(iii)(f) of the Order is not applicable to the Company.
- iv) According to information and explanations given by the management and based on audit procedures performed by us, the Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted and investments made during the year. The Company has not given any guarantee or security during the year. There is no loan granted or guarantee or security provided under section 185 of the Companies Act, 2013.
- v) The Company has not accepted deposits or amount which are deemed to be deposits covered under sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, (as amended) 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 examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and

Annexure A to Independent Auditor's Report (Contd.)

other statutory dues as 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 information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount (₹ in Lakhs)	Forum where dispute is pending
The Sales Tax Act / The Value Added Tax	Demand of Entry Tax	2012-13 to 2016-17	38.88	Hon'ble High Court of Kolkata
	Demand of Turnover Tax	2011-12 and 2012-13	27.77	Deputy Commissioner, Commercial Taxes, Ahmedabad
The Central Excise Act, 1944 and the Finance Act, 1994	Demand for Cenvat credit	Financial Year 2016-17 to 2017-18	287.87#	CESTAT Chandigarh
	Demand for Cenvat credit	Financial Year 2016-17	19.94	CESTAT Ahmedabad
The Income Tax Act, 1961	Demand of Income Tax including penalties	Assessment Year 2012-13 and 2014-15 to 2017-18 and 2020-21	36.58	Commissioner of Income Tax (Appeal), Kolkata
The E.S.I Act, 1948	Demand for Contribution	Financial Year 2014-15	15.41	Employee State insurance Corporation, RO-Ahmedabad
Local Area Development Tax	Entry Tax	Financial Year 2002-03, 2006-07 and April 2017 to June 2017	810.78	Hon'ble Punjab and Haryana High Court

excluding Interest as not quantified by the assessing authority.

- viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- ix) a. The Company has not defaulted in repayment of loans and in the payment of interest thereon during the year. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.
- b. According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c. Based on the books of account examined by us, term loans were applied for the purpose for which the loans were obtained during the year.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.
- e. According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. According to the information and explanations given to us, the Company has not raised loan during the year on the pledge of securities held in its subsidiaries, joint ventures or associates.

Annexure A to Independent Auditor's Report (Contd.)

- x) a. During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Therefore, provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- xi) a. Based upon the audit procedures performed and considering the principles of materiality outlined in Standards on Auditing, for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management during the course of the audit.
- b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore, the provisions of Clause 3(xii) of the Order are not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv) a. Based on information and explanations given to us and our audit procedure, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the Company.
- xvi) a. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, there is no CIC as part of the Group.
- xvii) The Company has not incurred cash loss in the financial year and in the immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- xviii) There has been no resignation of statutory auditor during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the

Annexure A to Independent Auditor's Report (Contd.)

Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the

balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The Company has no unspent amount relating to CSR activity, which is required to be transferred to a fund specified in Schedule VII to the Companies Act 2013. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: 23 May, 2023

Membership No. 088926

UDIN: 23088926BGXBBE2863

Annexure B to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Standalone Financial Statements as of and for the year ended on March 31, 2023 (refer to in paragraph 2(F) of our report on other legal and regulatory requirements)

We have audited the internal financial controls with reference to standalone financial statements of Somany Ceramics Limited ("the Company") as of March 31, 2023 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 an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to 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.

Annexure B to Independent Auditor's Report (Contd.)

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, 2023, 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.

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: 23 May, 2023

Membership No. 088926

UDIN: 23088926BGXBBE2863

Standalone Balance Sheet

As at 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes No.	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	41,850.99	37,971.20
Capital work-in-progress	3 (ii)	90.62	4,428.06
Right of use Assets	3 (iii)	4,294.08	3,431.43
Other Intangible Assets	3 (iv)	12.10	23.89
Financial Assets			
(i) Investments	4	13,159.78	9,619.78
(ii) Loans	5	18,342.10	14,497.09
(iii) Other Financial Assets	6	1,141.27	961.40
Other Non-Current Assets	7	140.86	176.71
		79,031.80	71,109.56
Current Assets			
Inventories	8	22,125.33	14,877.30
Financial Assets			
(i) Investments	9	2,962.72	5,898.99
(ii) Trade Receivables	10	26,184.20	23,448.93
(iii) Cash and Cash Equivalents	11	10,967.35	8,380.56
(iv) Bank Balances other than (iii) above	12	35.77	4,101.61
(v) Loans	13	480.00	175.00
(vi) Other Financial Assets	14	1,540.86	699.53
Current Tax Assets (net)	15	1,010.24	1,913.50
Other Current Assets	16	2,574.39	2,402.67
		67,880.86	61,898.09
Total Assets		1,46,912.66	1,33,007.65
Equity and Liabilities			
Equity			
Equity Share Capital	17	849.48	849.48
Other Equity	18	77,471.32	69,553.67
		78,320.80	70,403.15
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	19	800.78	1,776.19
(ii) Lease Liabilities		3,778.44	2,942.21
(iii) Others Financial Liabilities	20	3,044.05	2,781.26
Provisions	21	931.24	757.53
Deferred Income	22	-	102.39
Deferred Tax Liabilities (Net)	23	2,241.88	2,281.69
Other Non-Current Liabilities	24	602.97	474.31
		11,399.36	11,115.58
Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	16,812.12	19,707.92
(ii) Lease Liabilities		807.35	644.30
(iii) Trade Payables	26		
Outstanding dues of Micro Enterprises & Small Enterprises		4,074.99	2,306.08
Outstanding dues other than Micro Enterprises & Small Enterprises		25,506.75	20,717.89
(iv) Other Financial Liabilities	27	207.27	414.33
Other Current Liabilities	28	9,305.44	7,560.86
Provisions	29	478.58	137.54
		57,192.50	51,488.92
Total Equity and liabilities		1,46,912.66	1,33,007.65

Significant Accounting Policies and other Notes to Standalone Financial Statements 1 to 65.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Standalone Statement of Profit and Loss

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes No.	For the year ended 31 March, 2023	For the year ended 31 March, 2022
I. Income			
Revenue from Operations	30	2,44,270.07	2,07,380.24
Other Income	31	2,768.14	2,211.57
Total Revenue (I)		2,47,038.21	2,09,591.81
II. Expenses			
Cost of Materials Consumed	32	30,421.83	23,717.84
Purchases of Stock-in-Trade		1,30,679.13	1,10,307.77
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	33	(6,893.66)	(450.26)
Employee Benefits Expense	34	21,713.35	18,574.64
Finance Costs	35	787.25	858.50
Depreciation and Amortization Expenses	3	4,356.61	4,682.20
Other Expenses	36	53,685.33	40,205.57
Total Expenses (II)		2,34,749.84	1,97,896.26
III. Profit Before Exceptional Items and Tax (I-II)		12,288.37	11,695.55
IV. Exceptional Item	49	96.79	-
V. Profit before tax (III-IV)		12,191.58	11,695.55
VI. Tax Expense:			
(1) Current Tax	23		
- Current year		3,140.36	3,017.70
- For earlier years		82.55	27.58
(2) Deferred Tax Charge/(Credit)	23	(39.80)	(128.50)
VII. Profit for the year (V-VI)		9,008.47	8,778.77
VIII. Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss			
Income Tax relating to above	23	25.47	(0.95)
(2) Items that will be reclassified to profit & loss		-	-
IX. Total Comprehensive Income for the year (VII+VIII)		8,932.73	8,781.60
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	37		
Basic (in ₹)		21.21	20.67
Diluted (in ₹)		21.21	20.67

Significant Accounting Policies and other Notes to Standalone Financial Statements 1 to 65.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Standalone Statement of Change in Equity For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year [Refer note no. 17b.]	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	4,24,74,208	849.48	4,24,74,208	849.48

(b) Other Equity (Refer note no 62)

Particulars	Reserves and Surplus							
	Capital Reserve	Capital Redemption Reserve	Share options outstanding account	Security Premium	General Reserve	Total Retained earnings		Total
						Retained earnings	Remeasurement of defined benefit plans	
Balance at 31 March, 2021*	(4,377.31)	78.43	-	16,991.77	6,111.96	41,993.63	(26.41)	60,772.07
Profit for the year	-	-	-	-	-	8,778.77	-	8,778.77
Other Comprehensive Income for the year	-	-	-	-	-	-	2.83	2.83
Total comprehensive income for the year	-	-	-	-	-	8,778.77	2.83	8,781.60
Balance at 31 March, 2022*	(4,377.31)	78.43	-	16,991.77	6,111.96	50,772.40	(23.58)	69,553.67
Profit for the year	-	-	-	-	-	9,008.47	-	9,008.47
Recognition of share based payments	-	-	259.15	-	-	-	-	259.15
Other Comprehensive Income for the year	-	-	-	-	-	-	(75.74)	(75.74)
Total comprehensive income for the year	-	-	259.15	-	-	9,008.47	(75.74)	9,191.88
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23
Balance at 31 March, 2023	(4,377.31)	78.43	259.15	16,991.77	6,111.96	58,506.64	(99.32)	77,471.32

*There are no changes in other equity due to prior period errors.

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.

Standalone Statement of Change in Equity For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Share options outstanding account: This Reserve relates to stock options granted by the Company to employees under Somany Employee Stock Option Scheme 2021 (ESOP). This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

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 of ₹ (4,592.11) Lakhs [Refer note no. 62] and can be utilized in accordance with the provisions of Companies Act, 2013., b.) amalgamation Reserve of ₹ 191.27 Lakhs, c.) reserve of ₹ 22.90 Lakhs against maturity of special bearer bonds of RBI received and Bonus Shares issued by amalgamating Companies, d) others of ₹ 0.63 Lakhs.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Standalone Statement of Cash Flows

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. Cash Flow From Operating Activities		
Profit before Tax as per Statement of Profit & Loss	12,191.58	11,695.55
I. Adjusted For :		
Depreciation and Amortization Expenses	4,356.61	4,682.20
Finance Costs	787.25	858.50
Interest Income	(2,226.23)	(1,251.62)
(Profit)/Loss on Sales of Investments (Net)	(21.92)	(70.77)
Unrealized Foreign Exchange (Gain)/Loss (Net)	2.23	(6.26)
Net Movement on Fair Value of Current Investments	(81.80)	(280.43)
Provision for Credit Losses/ doubtful advances	482.20	140.58
Bad Debts	7.16	40.88
Deferred Income	(102.39)	(153.51)
Loss on divestment in a subsidiary	96.79	-
Provision for Employee stock option plan	259.15	-
Sundry Balances Written Off	12.00	208.33
Sundry Balance Written Back	(86.92)	(241.67)
Provision no longer required Written Back	-	(59.63)
(Profit)/Loss on sale of Property Plant and Equipment (Net)	(171.01)	(171.73)
Property, Plant and Equipments Discarded /Written off	21.17	13.68
Operating Profit Before Working Capital Changes	15,525.87	15,404.10
II. Adjusted For :		
Trade and Other Receivables	(3,238.46)	(1,524.16)
Inventories	(7,248.03)	(1,181.99)
Trade and Other Payables	9,118.31	1,154.79
Cash Generated from Operation	14,157.69	13,852.74
Income Taxes Refund /(Paid)	(2,294.18)	(3,333.90)
Net Cash Flow from Operating Activities (A)	11,863.51	10,518.84
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(3,372.05)	(7,343.12)
Sale of Property, Plant and Equipment	302.25	1,015.96
Consideration received from divestment in a Subsidiary	362.21	-
Investments in Subsidiaries	(3,999.00)	(2,850.77)
Sale of Current Investments	3,040.00	3,333.86
Interest Received	1,084.63	1,246.42
Inter-Corporate Deposits Given	(9,473.00)	(12,062.50)
Inter-Corporate Deposits Received Back	5,322.99	2,725.01
Investment in Fixed Deposits	4,062.82	(4,062.82)
Net Cash Outflow in Investing Activities (B)	(2,669.15)	(17,997.96)

Standalone Statement of Cash Flows

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	563.19	437.45
Repayment of Non Current Borrowings	(2,514.54)	(2,289.70)
Proceeds/(Repayment) of Current Borrowings (net)	(1,919.87)	6,788.36
Proceeds from Short Term Loans	1,592.62	1,000.00
Repayment of Short Term Loans	(1,592.62)	(2,110.00)
Payment of Lease Liabilities	(674.63)	(640.61)
Interest Paid	(787.49)	(936.48)
Dividend Paid	(1,274.23)	-
Net Cash Inflow from Financing Activities (C)	(6,607.57)	2,249.02
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	2,586.79	(5,230.10)
Cash And Cash Equivalents		
At the beginning of the year	8,380.56	13,610.66
At the year end	10,967.35	8,380.56

Notes :

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash & Cash Equivalents represents cash and bank balances (Refer note no.11).
- Figures for the previous year have been regrouped/rearranged wherever considered necessary, (Refer note no. 65).
- Additional Disclosure required under Ind AS 7, (Refer note no. 56.)
- The accompanying Notes are an integral part of the Standalone Financial Statements.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

1 REPORTING ENTITY

Somany Ceramics Limited referred to as “the Company” is domiciled in India. The registered office of the Company is at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Company has own manufacturing plants in Kadi (Gujarat) and Kassar (Haryana), India. The Company is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The financial statements of the Company for the year ended 31 March, 2023 were approved for issue by the board of directors on 23 May, 2023. However, the shareholders of the Company have the power to amend the Financial Statements after the issue.

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 Statement of compliance

The standalone financial statements of Somany Ceramics Limited (“the Company”) comply with Indian Accounting Standards (“Ind AS”) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

2.2 Basis of preparation and measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortized cost.
- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Share based payments are initially measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in Indian National Rupee (₹), which is the Company’s functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

recognized 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.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- Assessment of reliability of inputs considered for fair valuation of financial assets and liabilities falls under hierarchy Level 3.
- Assessment of appropriate inputs to the Black Scholes Model for valuation of share based payments including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 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 is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. cost includes deemed cost w.r.t assets acquired prior to 1 April, 2017

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

which represents the carrying value of property, plant and equipment as at 1 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

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

Subsequent Measurement

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

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, which ever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognized impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use and commissioning has been completed.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Cost includes deemed cost w.r.t assets acquired prior to 1 April, 2017 which represents the carrying value of property, plant and equipment as at 1 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 5 years.

Amortization methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit & Loss when the asset is derecognized.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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 in its present condition rather than through continuing use and it is expected that the sale will be completed within one year from the date of classification.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized 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 of impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortized on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognized in the Statement of Profit & Loss in the period in which they are incurred.

2.12 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 recognized 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 measured 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 recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI and such remeasurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

Share Based Payments

The Company recognizes compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payment".

The Company initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note no. 50

2.14 Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue component of revenue.

Revenue (other than sale of goods) is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Transaction price represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognized on an accrual basis using the effective interest method.

Dividends are recognized at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of manufactured finished goods and work in progress is determined by taking cost of material consumed, labour and related overheads. Cost of raw materials and packing materials, stock in trade and stores & spares are computed on weighted average basis. Purchases cost of raw materials and packing materials, stock in trade and stores & spares are net of input tax credits, rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Provision for cost of obsolescence and other anticipated losses, wherever considered necessary, are recognized in the books of account.

2.16 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 financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized 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. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

A FINANCIAL ASSETS

i) Initial recognition and measurement

Financial assets (except trade receivables) are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

ii) Classifications and Subsequent measurement

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

a) Financial assets at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the Statement of Profit & Loss. The losses arising from impairment are recognized in the Statement of Profit & Loss.

b) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

c) Financial assets at fair value through Profit & Loss (FVTPL)

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 recognized in the Statement of Profit & Loss.

iii) Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the 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 except investment in equity instruments of subsidiaries which are carried at cost less provision for impairment, if any.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the 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

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the Statement of Profit & Loss.

v) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

B FINANCIAL LIABILITIES

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

ii) Classifications and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit & Loss.

b) 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 recognized 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 recognized in OCI. These gains/losses 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 recognized in the Statement of Profit & Loss.

iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

2.20 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 recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the 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 recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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.
- 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 Statement of Cash Flows, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

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 recognized at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

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") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in its financial statement.

Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with the definition of 'accounting estimates'. The Company does not expect this amendment to have any significant impact in its financial statement.

Ind AS 12 – Income taxes – Annual Improvements to Ind AS (2021) - The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognized on initial recognition, the initial recognition exemption does not apply. Also, If a company has not yet recognized deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognized deferred tax asset or deferred tax liability on net basis, that company shall have to recognize deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April 2022. The Company does not expect this amendment to have any significant impact in its financial statement.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

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(i) Property, Plant and Equipment (2022-23)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Tangible Assets										
Freehold land	315.58	-	-	315.58	-	-	-	-	315.58	315.58
Buildings	10,404.92	476.15	-	10,881.07	2,124.31	364.59	-	2,488.90	8,280.61	8,392.17
Plant and equipments	33,946.24	5,398.25	140.17	39,204.32	7,919.35	2,046.67	106.85	9,859.17	26,026.89	29,345.15
Office equipments	1,715.23	331.07	108.66	1,937.64	1,272.93	236.67	97.16	1,412.44	442.30	525.20
Furniture and fixtures	4,273.85	429.02	1,536.13	3,166.74	2,936.71	332.31	1,521.31	1,747.71	1,337.14	1,419.03
Vehicles	2,871.94	928.75	542.75	3,257.94	1,303.26	496.06	395.24	1,404.08	1,568.68	1,853.86
Total	53,527.76	7,563.24	2,327.71	58,763.29	15,556.56	3,476.30	2,120.56	16,912.30	37,971.20	41,850.99

(ii) Capital Work in Progress (2022-23)

Capital work-in-progress as at 31 March, 2023 is ₹ 90.62 Lakhs.

₹ 2,023.46 Lakhs is addition to Capital works in progress during the year ended 31 March, 2023.

₹ 6,360.90 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2023.

(iii) Right of Use Assets (2022-23) (Refer note no. 58)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Right of use Assets										
Leasehold lands	343.97	-	-	343.97	16.30	4.09	-	20.39	327.67	323.58
Buildings	5,267.91	1,902.30	353.46	6,816.75	2,164.15	861.89	179.79	2,846.25	3,103.76	3,970.50
Total	5,611.88	1,902.30	353.46	7,160.72	2,180.45	865.98	179.79	2,866.64	3,431.43	4,294.08

(iv) Other Intangible Assets (2022-23)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Intangible Assets										
Computer Softwares	1,056.88	2.54	-	1,059.42	1,032.99	14.33	-	1,047.32	23.89	12.10
Total	1,056.88	2.54	-	1,059.42	1,032.99	14.33	-	1,047.32	23.89	12.10

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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(i) Property, Plant and Equipment (2021-22)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Tangible Assets										
Freehold land	590.92	7.45	282.79	315.58	-	-	-	-	590.92	315.58
Buildings	10,295.65	493.35	384.08	10,404.92	1,825.06	374.01	74.76	2,124.31	8,470.59	8,280.61
Plant and equipments	32,344.15	1,984.72	382.63	33,946.24	6,208.52	1,899.18	188.35	7,919.35	26,135.63	26,026.89
Office equipments	1,566.01	172.05	22.83	1,715.23	1,074.76	216.28	18.11	1,272.93	491.25	442.30
Furniture and fixtures	4,156.46	144.71	27.32	4,273.85	2,181.03	778.33	22.65	2,936.71	1,975.43	1,337.14
Vehicles	2,340.05	754.05	222.16	2,871.94	1,035.49	431.10	163.33	1,303.26	1,304.56	1,568.68
Total	51,293.24	3,556.33	1,321.81	53,527.76	12,324.86	3,698.90	467.20	15,556.56	38,968.38	37,971.20

(ii) Capital Work in Progress (2021-22)

Capital work-in-progress as at 31 March, 2022 is ₹ 4,428.06 Lakhs.

₹ 6,598.67 Lakhs is addition to Capital works in progress during the year ended 31 March, 2022.

₹ 2,585.85 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2022.

(iii) Right of Use Assets (2021-22) (Refer note no. 58)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Right of use Assets										
Leasehold lands	343.97	-	-	343.97	12.21	4.09	-	16.30	331.76	327.67
Buildings	4,875.77	559.76	167.62	5,267.91	1,515.21	786.27	137.33	2,164.15	3,360.56	3,103.76
Total	5,219.74	559.76	167.62	5,611.88	1,527.42	790.36	137.33	2,180.45	3,692.32	3,431.43

(iv) Other Intangible Assets (2021-22)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Intangible Assets										
Computer Softwares	1,076.60	-	19.72	1,056.88	854.13	192.94	14.08	1,032.99	222.47	23.89
Total	1,076.60	-	19.72	1,056.88	854.13	192.94	14.08	1,032.99	222.47	23.89

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Note:

1. Assets pledged and Hypothecated against borrowings: Refer note no. 19 & 25.

Title deeds of Immovable Properties not held in name of the Company as at 31 March, 2023 and 31 March, 2022

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	9.53	Erstwhile Schablona India Limited (Amalgamating Company)	No	1 April, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal. (Refer Note no. 62 B)	Refer Note no. 62 B
Property, Plant and Equipment	Building	155.59		No		

4 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investment in Equity Instruments (Unquoted, fully paid up)		
Subsidiary Companies (measured at cost)		
a) 26,85,000 Equity Shares (Previous Year - 26,85,000) of ₹10/- each of SR Continental Limited*	268.50	268.50
b) 5,00,000 Equity Shares (Previous Year - 5,00,000) of ₹10/- each of Somany Bathware 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 - 35,10,000) of ₹10/- each of Somany Excel Vitrified Private Limited*	351.00	351.00
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) 96,50,000 Equity Shares (Previous year - 96,50,000) of ₹10/- each of Somany Piasterelle Private Limited (w.e.f 18 February, 2021)*	965.00	965.00
i) 25,35,000 Equity Shares (Previous year - 25,35,000) of ₹10/- each of Vicon Ceramics Private Limited \$	253.50	253.50
j) 2,16,75,000 Equity Shares (Previous year - 2,16,75,000) of ₹ 10/- each of Sudha Somany Ceramics Private Limited	2,167.50	2,167.50

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

4 NON-CURRENT INVESTMENTS (CONTD.)

Particulars	As at 31 March, 2023	As at 31 March, 2022
k) 14,60,000 Equity Shares (Previous year - 14,60,000) of ₹10/- each of Acer Granito Private Limited §	511.00	511.00
l) Nil Equity Shares (Previous year - 45,90,000) of ₹10/- each of Amora Ceramics Private Limited	-	459.00
m) 18,59,100 Equity Share (Previous Year - 18,59,100) of ₹ 10/- each of Somany Bath Fittings Private Limited*	1,348.37	1,348.37
n) 4,00,00,000 Equity Share (Previous Year - 10,000) of ₹ 10/- each of Somany Max Private Limited (w.e.f 22 February, 2022)*	4,000.00	1.00
	13,159.78	9,619.78
* 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	13,159.78	9,619.78
b. None of the above investments are listed on any stock exchange in India or outside India and these investments are carried at cost. There is no accumulated impairment as at current or previous year end.		

5 LOANS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- With Related Parties #	18,082.00	14,497.09
- With Others	260.10	-
	18,342.10	14,497.09

For detail of loans to related parties, Refer note no. 44, Related Party Transactions.

6 OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	0.25	0.25
Bank Deposits held as Margin Money	175.37	188.33
Security Deposits		
- With Related Parties#	105.00	105.00
- With Others	860.65	667.82
	1,141.27	961.40

For detail of security deposits to related parties, Refer note no. 44, Related Party Transactions.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital Advance	59.93	99.92
Prepaid Expenses	10.76	11.29
Deposits with Government Departments (under Protest)	70.17	65.50
	140.86	176.71

8 INVENTORIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Valued at Lower of Cost and Net Realizable Value)		
Raw Materials and Packing Materials	2,416.03	2,398.00
Work -in-Progress	714.00	790.60
Finished Goods	11,014.22	5,266.64
Stock in Trade	5,749.90	4,312.94
Stores and Spares	2,231.18	2,109.12
	22,125.33	14,877.30

- Inventories are hypothecated to secured borrowings. Refer note no. 19 & 25.
- During the year Nil (previous year 25.96 Lakhs) has been charged to Statement of Profit and Loss on account of write down of inventories. ₹ 124.01 Lakhs (previous year Nil) has been credited to the Statement of Profit and Loss on account of reversal of write down of inventories due to reduction in slow moving finished goods and included in change of inventories of finished goods.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

9 CURRENT INVESTMENTS

Particulars	As at 31 March, 2023		As at 31 March, 2022	
A) Investments in Non Convertible Debentures (Quoted) (valued at fair value through profit & loss)				
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Limited 4 July, 2031 Bonds (NCD)		340.00		380.00
b) 103 Units (Previous Year - 103 Units) 9.00% Shriram Transport Finance Co. Limited 28 March, 2028 (NCD)		1,004.25		1,004.25
c) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Limited (NCD) 2027	792.65		792.65	
Less:- Provision for Impairment#	(792.65)	-	(792.65)	-
d) 105,500 Units (Previous Year - 105,500 Units) 9.60% SREI Infrastructure Finance Limited 25 May, 2028 (NCD)	1,052.08		1,052.08	
Less:- Provision for Impairment#	(1,052.08)	-	(1,052.08)	-
B) Investments in Mutual Fund (Un-Quoted) (valued at fair value through profit & loss)				
a) 1,23,47,217.261 Units (Previous Year - 3,63,70,087.033 Units) HDFC Ultra Short Term Fund- Direct Growth		1,618.21		4,514.55
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		0.26		0.19
		2,962.72		5,898.99
Aggregate Cost of Quoted Investment		3,207.22		3,247.22
Aggregate Market Value of Quoted Investment		1,344.51		1,384.44
Aggregate Cost of Un-Quoted Investment		1,451.27		4,257.87
Aggregate amount of impairment in value of Quoted Investments		1,844.73		1,844.73

10 TRADE RECEIVABLES

Particulars	As at 31 March, 2023		As at 31 March, 2022	
Unsecured				
Considered Good		25,523.54		22,235.10
Have Significant increase in Credit Risk		2,143.72		2,531.30
Considered Doubtful - Credit Impaired		769.26		608.40
		28,436.52		25,374.80
Less: Allowance for losses		2,252.32		1,925.87
		26,184.20		23,448.93

- For details of receivable from related parties, Refer note no. 44, Related Party Transactions.
- Trade Receivables are hypothecated to secured borrowings. Refer note no. 19 & 25.
- Refer note no. 54 (A) - Trade Receivables ageing.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

11 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance with Banks		
- In Current Accounts	853.96	524.32
Cash on Hand	3.28	3.64
Bank Deposits with original maturity of 3 months or less	10,110.11	7,852.60
	10,967.35	8,380.56

12 OTHER BANK BALANCES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bank Deposits (Pledged with Government Departments)	1.35	1.04
Less:- Shown Under "Other Financial Assets" (More than 12 months)	0.25	0.25
Bank Deposits held as Margin Money	175.37	188.33
Less:- Shown Under "Other Financial Assets" (More than 12 months)	175.37	-
Fixed Deposits with Banks	-	4,062.82
Earmarked Balances with Banks		
Unclaimed Dividend Accounts	34.67	38.00
	35.77	4,101.61

13 LOANS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits		
- to Related Parties#	400.00	75.00
- To Others	80.00	100.00
	480.00	175.00

For detail of loans to related parties, refer Note No. 44, Related Party Transactions.

14 OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Accrued Interest	1,510.48	368.88
Deposit with others	15.35	2.84
Insurance Claims receivable	15.03	327.81
	1,540.86	699.53

15 CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance Income Tax / Tax Deducted at Source (Net of Income Tax Provision of ₹ 7,182.03 Lakhs) (previous year ₹ 17,863.56 Lakhs)	1,010.24	1,913.50
	1,010.24	1,913.50

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

16 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid Expenses	218.39	210.94
Export Incentive Receivable	138.76	216.81
Properties held in Trust (Refer note no. 64)	657.75	657.75
Vendor Advances#*	1,069.13	720.33
Other Receivables*§	241.83	345.68
Indirect Tax Recoverable/adjustable	331.35	296.00
	2,657.21	2,447.51
*Less: Provision for Doubtful	82.82	44.84
	2,574.39	2,402.67

§ Includes advance to staff and workers against salary and expenses etc.

For detail of advances to related parties, Refer note no. 44, Related Party Transactions.

17 EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized		
Equity Shares 16,15,00,000 (Previous Year - 16,15,00,000) of ₹ 2/-each*	3,230.00	3,230.00
Issued, Subscribed and Paid up		
Equity Shares 4,24,74,208 (Previous Year - 4,24,74,208) of ₹ 2/- each fully paid up*	849.48	849.48
	849.48	849.48

a. Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares		Amount	
	Issued	To be issued*	Issued	To be issued*
Outstanding as on 1 April, 2021	4,23,79,426	94,782	847.59	1.89
Equity Shares issued/bought back during the year	94,782	(94,782)	1.89	(1.89)
Outstanding at the 31 March, 2022	4,24,74,208	-	849.48	-
Equity Shares issued/bought back during the year	-	-	-	-
Outstanding at the 31 March, 2023	4,24,74,208	-	849.48	-

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

17 EQUITY SHARE CAPITAL (CONTD.)

c. Shareholdings of Promoters at the end of 31 March, 2023

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	-
vii)	Ms. Aanvi Somany	3,00,000	0.71%	-
viii)	Ms. Anushree Chopra	2,01,407	0.47%	-
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	-
x)	Mr. Shreekant Somany	1,19,538	0.28%	-
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	-

Shareholdings of Promoters at the end of 31 March, 2022

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	-35.51%
vii)	Ms. Aanvi Somany	3,00,000	0.71%	100.00%
viii)	Ms. Anushree Chopra	2,01,407	0.47%	65.89%
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	19.54%
x)	Mr. Shreekant Somany	1,19,538	0.28%	19.54%
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	100%

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

17 EQUITY SHARE CAPITAL (CONTD.)

d. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

		As at 31 March, 2023	As at 31 March, 2022
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	1,00,80,055
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	43,37,872
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	43,37,872
iv)	Kotak Small CAP Fund	29,02,449	26,51,985
		2,16,58,248	2,14,07,784

e. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity shares issued pursuant to Scheme of Amalgamation (in 2021-22)*	94,782	94,782
Equity shares issued pursuant to Scheme of Amalgamation (in 2019-20)*	1,90,87,200	1,90,87,200

* Refer note no. 62.

18 OTHER EQUITY (Refer note no. 62)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Share options outstanding account		
Balance at the beginning of the year	-	-
Employee stock option expenses	259.15	-
Closing balance	259.15	-
Capital Reserve		
Balance at the beginning of the year	(4,377.31)	(4,377.31)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,377.31)	(4,377.31)
Capital Redemption Reserve		
Balance at the beginning of the year	78.43	78.43
Addition/ (Transfer) during the year	-	-
Closing balance	78.43	78.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,991.77
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,111.96	6,111.96
Addition/ (Transfer) during the year	-	-
Closing balance	6,111.96	6,111.96

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

18 OTHER EQUITY (Refer note no. 62) (CONTD.)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Retained earnings		
Balance at the beginning of the year	50,772.40	41,993.63
Profit for the year	9,008.47	8,778.77
Amount available for appropriation	59,780.87	50,772.40
Dividend Distributed	1,274.23	-
Closing Balance	58,506.64	50,772.40
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(23.58)	(26.41)
Other Comprehensive Income for the year	(75.74)	2.83
Closing Balance	(99.32)	(23.58)
Total Retained Earnings	58,407.32	50,748.82
Total Other Equity	77,471.32	69,553.67

19 BORROWINGS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured		
Rupee Term Loan		
- from Bank	1,120.39	3,212.18
Car Loan		
- from Banks	1,121.67	981.22
	2,242.06	4,193.40
Less: Current Maturities of Non Current Borrowings		
Rupee Term loan		
- from Bank	1,120.39	2,091.80
Car Loan		
- from Banks	320.89	325.41
	1,441.28	2,417.21
	800.78	1,776.19

Notes

- Rupee term loan of ₹ 1,120.39 Lakhs (Previous Year ₹ 3,212.18 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 of ₹ 1,120.39 Lakhs is due in 2023-24.
- Car loan from Banks are secured by hypothecation of cars purchased there under and are repayable in monthly instalments over the period of loan.
- As at March 31, 2023 rate of interest is variable and linked with MCLR ranging between 8.50% to 9% and few car loans which are at fixed interest rate ranging between 8% to 9% .

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

20 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade Deposits	3,044.05	2,781.26
	3,044.05	2,781.26

21 PROVISIONS (NON CURRENT)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Employees Benefits	931.24	757.53
	931.24	757.53

22 DEFERRED INCOME

Particulars	As at 31 March, 2023	As at 31 March, 2022
Grants related to Property, Plant and Equipment	-	102.39
	-	102.39

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 recognized are released to the statement of profit and loss based on fulfilment of related export obligations.

23 DEFERRED TAX LIABILITIES (NET)

A. Movement in deferred tax balances

Particulars	As at 31 March, 2022	Recognized in P&L	Recognized in OCI	As at 31 March, 2023
Deferred Tax Assets				
Accrued expenses	1,189.12	215.83	-	1,404.95
Others	121.50	33.36	-	154.86
Sub- Total (a)	1,310.62	249.19	-	1,559.81
Deferred Tax Liabilities				
Property, plant and equipment & Intangible assets	3,592.30	209.39	-	3,801.69
Sub- Total (b)	3,592.30	209.39	-	3,801.69
Net Deferred Tax Liability (b)-(a)	2,281.68	(39.80)	-	2,241.88

Particulars	As at 1 April, 2021	Recognized in P&L	Recognized in OCI	As at 31 March, 2022
Deferred Tax Assets				
Accrued expenses	1,194.86	(5.75)	-	1,189.11
Others	86.46	35.04	-	121.50
Sub- Total (a)	1,281.32	29.29	-	1,310.61
Deferred Tax Liabilities				
Property, plant and equipment & Intangible assets	3,691.51	(99.21)	-	3,592.30
Sub- Total (b)	3,691.51	(99.21)	-	3,592.30
Net Deferred Tax Liability (b)-(a)	2,410.19	(128.50)	-	2,281.69

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

23 DEFERRED TAX LIABILITIES (NET) (CONTD.)

B. Amounts recognized in statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	3,140.36	3,017.70
Income tax for earlier year	82.55	27.58
	3,222.91	3,045.28
Deferred Tax Charge/(Credit)		
Origination and reversal of temporary differences	(39.80)	(128.50)
	(39.80)	(128.50)
Total Tax Expense	3,183.11	2,916.78

C. Amounts recognized in Other Comprehensive Income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	25.47	(0.95)
Deferred Tax Charge/(Credit)		
Remeasurements of defined benefit obligation	-	-

D. Reconciliation of effective tax expense

	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
	Rate	Amount	Rate	Amount
Accounting profit before tax		12,191.58		11,695.55
Tax using the Company's domestic tax rate	25.17%	3,068.38	25.17%	2,943.53
Tax effect of:				
Non-deductible expenses/ (Exempted income) (net)		37.37		(33.29)
Changes in estimates related to prior years		82.55		27.58
Lower tax rate on (Gain)/Loss on investment		(0.04)		(3.67)
Others		(5.15)		(17.37)
		3,183.11		2,916.78

24 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security Deposits	758.05	644.97
Less: Current Maturities	155.08	170.66
	602.97	474.31

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

25 BORROWINGS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured Loans:		
Working Capital Facilities from Banks*		
- Cash Credit	-	69.91
Current Maturities of Long term Borrowings (Refer note no. 19)	1,441.28	2,417.21
Unsecured Loans:		
- Discounting of Bills Payable	15,370.84	17,220.80
	16,812.12	19,707.92

* Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of current assets including stocks of raw materials, finished goods and inventory work in progress, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of hypothecation of all movable fixed assets & ranking pari-passu, excluding assets exclusively charged.
- Rate of interest is variable and linked with MCLR as at 31 March, 2023 ranging between 7.85 % to 9.00%.

26 TRADE PAYABLES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Outstanding dues of Micro Enterprises and Small Enterprises*	4,074.99	2,306.08
Outstanding dues other than Micro Enterprises and Small Enterprises#§	25,506.75	20,717.89
	29,581.74	23,023.97

a.* For MSME disclosure, Refer note no. 53.

b. # For details of payables to related parties, Refer note no. 44, Related Party Transactions.

c. Refer note no. 54 (B) - Trade Payables ageing.

d. § Includes liability towards paying agent arrangement of ₹ 5,913.89 Lakhs (Previous year ₹ 3,467.62 Lakhs).

27 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest Accrued	0.08	0.32
Capital Creditors*	54.47	238.17
Unclaimed Dividends	34.67	38.00
Others#	118.05	137.84
	207.27	414.33

*Includes Outstanding dues of Micro Enterprises and Small Enterprises of Nil (Previous Year ₹ 16.41 Lakhs)

Includes security deposits received, commission payables etc.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

28 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory Dues	1,863.47	1,064.69
Security Deposits - Current maturities of Other Non Current Liabilities	155.08	170.66
Advance from Customers	1,027.52	1,157.13
Sales Incentive	3,271.94	1,921.46
Liability under Defalcation Suit (Refer note no. 64)	665.78	669.64
Accruals related to employees and others #	2,321.65	2,577.28
	9,305.44	7,560.86

For details of payables to related parties, Refer note no. 44, Related Party Transactions.

29 PROVISIONS (CURRENT)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Employee Benefits	478.58	137.54
	478.58	137.54

30 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sales of Goods	2,42,646.17	2,06,050.14
Other operating revenue		
Export incentives	109.00	151.43
Scrap Sales	331.38	305.34
Sundry Balance Written Back	86.92	241.67
Insurance Claim Received and Other Misc Income	811.76	435.91
Income From Services	284.84	195.75
	1,623.90	1,330.10
	2,44,270.07	2,07,380.24

a) Unsatisfied performance obligation (contract liabilities) Refer note no.28.

b) Reconciliation of contract price vis a vis revenue recognized in the statement of profit and loss is as follows:

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Contract Price				
(i) Sales of goods				
Tiles	2,23,134.23		1,90,065.26	
Others	28,842.02	2,51,976.25	23,190.03	2,13,255.29
(ii) Sales of services		284.84		195.75
(ii) other operating revenue		1,339.06		1,134.35
Adjustments:				
Discount/rebate/ Sales incentives		(9,330.08)		(7,205.15)
Revenue recognized in statement of profit and loss		2,44,270.07		2,07,380.24

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

30 REVENUE FROM OPERATIONS (CONTD.)

- c) The above revenues have been recongnized at point of time.
- d) Payment terms with customers generally ranges between 0 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.
- e) Sale of the products and services within India ₹2,33,271.19 Lakhs (Previous Year ₹ 1,95,325.62 Lakhs) and outside India ₹ 9,374.98 Lakhs (Previous Year ₹ 10,724.52 Lakhs are mainly through intermediaries.
- f) For contract assets and balances Refer note no. 10.

31 OTHER INCOME

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Interest Income		2,226.23		1,251.62
Dividend Income		0.01		-
Other non-operating revenue:				
Net Profit on Sale of Property, Plant and Equipment		171.01		171.73
Profit on Sale of Current Investments measured at FVTPL	191.46		70.77	
Less:- Reversal of Fair Value of Current Investments measured at FVTPL	169.54	21.92	-	70.77
Net Gain on Fair Value of Current Investments measured at FVTPL		81.80		280.43
Net Gain on Foreign Currency Translations and Transactions		82.75		137.94
Provision no longer required written back		-		59.63
Deferred Income (Amortization of Government Grant)		102.39		153.51
Miscellaneous Income		82.03		85.94
		2,768.14		2,211.57

32 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw Materials Consumed	25,080.59	19,218.39
Packing Materials Consumed	5,341.24	4,499.45
	30,421.83	23,717.84

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

33 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Closing Stock		
Finished Goods	11,014.22	5,266.64
Stock-in-Trade	5,749.90	4,312.94
Total Finished Goods	16,764.12	9,579.58
Work-in-Progress	714.00	790.60
	17,478.12	10,370.18
Less: Opening Stock		
Finished Goods*	5,480.92	5,785.81
Stock-in-Trade	4,312.94	3,616.76
Total Finished Goods	9,793.86	9,402.57
Work-in-Progress	790.60	517.35
	10,584.46	9,919.92
(Increase)/ Decrease in Stock	(6,893.66)	(450.26)

*includes ₹ 214.28 Lakhs transfer on commissioning of New product line on 21 April, 2022.

34 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salary, Wages, Bonus etc.*	19,893.89	17,089.28
Contribution towards Provident Fund and Gratuity Fund	1,185.04	878.27
Workmen & Staff Welfare	634.42	626.37
	21,713.35	18,593.92
Less: Capitalized/ Transferred to CWIP	-	19.28
	21,713.35	18,574.64

* includes ₹ 259.15 Lakhs (Previous Year Nil) towards share based payments refer note no. 50.

35 FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest	364.66	497.30
Interest expense on lease liabilities	378.22	311.15
Other Borrowing Costs	44.37	50.05
	787.25	858.50

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

36 OTHER EXPENSES

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Stores and Spare Parts Consumed		3,485.35		3,317.07
Power & Fuel		31,983.83		22,192.64
Repairs and Maintenance:				
Buildings		157.59		181.26
Plant & Machinery		528.84		375.94
Others		127.34		122.02
Rent		133.87		77.52
Rates & Taxes		59.26		231.84
Insurance		882.23		1,064.71
Travelling and Conveyance		2,428.88		1,688.00
Freight Outward and Handling Charges		3,673.40		3,612.28
Advertisement and Sales Promotion		5,421.02		3,382.90
Commission to Agents		815.73		575.00
CSR Expenses (Refer note no. 59)		148.00		116.68
Provision for Credit Losses / doubtful advances		482.20		140.58
Bad Debts	124.92		67.78	
Less: Provision for Credit Losses	117.76	7.16	26.90	40.88
Sundry Balances Written Off		12.00		208.33
Property, Plant and Equipment Discarded /Written off		21.17		13.68
Other Expenses*		3,317.46		2,898.71
		53,685.33		40,240.04
Less: Capitalized/ Transferred to CWIP		-		34.47
		53,685.33		40,205.57

* For Payment to Statutory Auditor, Refer note no. 48.

37 EARNING PER SHARE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year	9,008.47	8,778.77
Weighted average number of equity shares of ₹ 2/- each	4,24,74,208	4,24,74,208
EPS - Basic and Diluted (Per share in ₹)	21.21	20.67

Shares to be issued against the options granted under ESOP Scheme 2021 have been ignored for calculating diluted earning per share as per IND-AS-33 "Earning Per Share" as the average exercise price is higher as compared to average market price of shares during the year.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

38 CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS AS IDENTIFIED BY THE COMPANY

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at 31 March, 2023	As at 31 March, 2022
1. Claim and other demands against the Company not acknowledged as debts. #	262.38	237.90
2. Sales Tax demands against which the Company has preferred appeals.	27.77	27.77
3. Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Company/Department has preferred appeals/filed replies.	333.36	333.36
4. Income tax demand disputed by the Company which excludes penalty, if any, as same can not be measured at this stage	58.41	28.03
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Company	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Company	15.41	15.41

Company has some subjudice labour dispute matters impact of which cannot be ascertained at this stage.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

B. Others

In light of judgment of Honorable Supreme Court dated 28 February, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	187.26	175.77
(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.		

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

39 During the Previous year, Company has invested ₹ 2,50,00,000 (25,00,000 Equity shares of ₹ 10 Each) on 28 March, 2022 in SR Continental Limited (CIN U55101DL1979PLC317439) "SRCL" wholly owned subsidiary having registered office at 82/19 Bhakerwara Road Mundka New Delhi-110041. SRCL further invested the proceeds in 25,00,000 Equity Shares of ₹ 10 each of SRCL Buildwell Private Limited (U26990WB2021PTC249417) (being wholly owned subsidiary of SRCL) having its registered office at 7, Hare Street, 4th Floor, Kolkata West Bengal-700001 on 26 April, 2022. The Company has complied with relevant provisions of the Companies Act, 2013 for this transaction and the transaction is not violative of the Prevention of Money-Laundering Act, 2002. There is no such transaction during the year.

40 LOANS AND ADVANCES PURSUANT TO REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Outstanding as at 31 March, 2023	Maximum Amount Outstanding during the year ended 31 March, 2023	Outstanding as at 31 March, 2022	Maximum Amount Outstanding during the year ended 31 March, 2022
Inter Corporate Deposits				
Creanza Tiles Private Limited (Formerly known as Amora Ceramics Private Limited)	260.10	260.10	260.10	260.10
Sudha Somany Ceramics Private Limited	2,424.50	2,424.50	2,224.50	2,224.50
Somany Sanitaryware Private Limited	880.00	880.00	880.00	930.00
Acer Granito Private Limited	-	35.99	35.99	330.00
Vintage Tiles Private Limited	250.00	250.00	250.00	526.00
Somany Fine Vitrified Private Limited	357.00	357.00	357.00	357.00
Somany Piasterelle Private Limited	11,900.00	12,100.00	10,150.00	10,750.00
Vicon Ceramic Private Limited	164.50	339.50	339.50	489.50
Somany Excel Vitrified Private Limited	-	75.00	75.00	95.00
Somany Bath Fittings Private Limited	200.00	200.00	-	-
Amora Tiles Private Limited	255.00	655.00	-	-
Somany Max Private Limited	2,051.00	3,800.00	-	-
Security Deposit Given				
Sudha Somany Ceramics Private Limited	105.00	105.00	105.00	105.00

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

41 FOREIGN EXCHANGE EXPOSURES OUTSTANDING AT THE YEAR-END:

Particulars		31 March, 2023		31 March, 2022	
		Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)
Open Exposures					
Receivables	USD	3.44	280.98	6.33	476.90
Receivables	CNY	0.01	0.05	0.01	0.05
Receivables	AUD	-	-	0.21	11.55
Receivables	EURO	-	-	0.00	0.17
Payables	USD	0.58	47.71	0.95	71.88
Payables	CNY	0.35	4.19	-	-
Payables	EURO	0.15	13.28	0.05	4.45
Payables	NPR	0.90	0.57	0.92	0.58

42 DETAILS OF INVESTMENT MADE, LOAN AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

a) Loan given for business purposes

Name	Terms of repayments	For the year ended		Outstanding as at	
		31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Sudha Somany Ceramics Private Limited	After one year	200.00	967.50	2,424.50	2,224.50
Creanza Tiles Private Limited (Formerly known as Amora Ceramics Private Limited)	After one year	-	-	260.10	260.10
Acer Granito Private Limited	After one year	-	-	-	35.99
Vintage Tiles Private Limited	After one year	-	-	250.00	250.00
Somany Sanitaryware Private Limited	After one year	-	-	880.00	880.00
Somany Fine Vitrified Private Limited	After one year	-	-	357.00	357.00
Somany Excel Vitrified Private Limited	With in One Year	17.00	95.00	-	75.00
Vicon Ceramics Private Limited	After one year	-	150.00	164.50	339.50
Somany Piasterelle Private Limited	After one year	1,350.00	10,750.00	11,500.00	10,150.00
Somany Piasterelle Private Limited	With in One Year	1,000.00	-	400.00	-
Salix Ceramic Private Limited	With in One Year	200.00	100.00	80.00	100.00
Somany Bath Fittings Private Limited	After one year	200.00	-	200.00	-
Amora Tiles Private Limited	After one year	655.00	-	255.00	-
Somany Max Private Limited	After one year	5,851.00	-	2,051.00	-

The above unsecured loans carries interest rate in the range of 9.00% to 12.00% (Previous Year 9.00% to 12.00%).

- b) Details of investments made is given in Note No. 4 and 9.
c) Also refer Note No. 38(C) (ii).

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

43 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Contribution to Provident Funds	702.64	618.41

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 34) of the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Company made provision for gratuity as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, was measured using the Projected Unit Credit Method.

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components:

Particulars	31 March, 2023			31 March, 2022		
	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	1,931.15	1,981.56	(50.41)	1,778.64	1,848.13	(69.49)
Addition pursuant to Scheme of Amalgamations *						
Included in profit & loss						
Current service cost	190.51	-	190.51	156.78	-	156.78
Interest cost / (income)	139.43	(143.07)	(3.64)	120.08	(125.67)	(5.59)
Other Adjustment						-
Past Service Cost including curtailment Gains/(Losses)	295.53	-	295.53	108.67	-	108.67
	625.47	(143.07)	482.40	385.53	(125.67)	259.86

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

43 EMPLOYEE BENEFITS (CONTD.)

Particulars	31 March, 2023			31 March, 2022		
	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
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(31.83)	-	(31.83)	(71.16)	-	(71.16)
- experience adjustment	83.22	-	83.22	75.14	-	75.14
- on plan assets	-	49.83	49.83	-	(7.76)	(7.76)
	51.39	49.83	101.22	3.98	(7.76)	(3.78)
Other						
Contributions paid by the employer	-	50.00	(50.00)	-	-	-
Benefits paid	(165.68)	-	(165.68)	(237.00)	-	(237.00)
	(165.68)	50.00	(215.68)	(237.00)	-	(237.00)
Closing Balance	2,442.33	2,124.80	317.53	1,931.15	1,981.56	(50.41)

B. Plan assets

Particulars	31 March, 2023	31 March, 2022
Fund managed by insurer	100%	100%

Above amounts have been included in Contributions to Provident and Gratuity Fund (note no. 34) of the Statement of Profit and Loss and Other Comprehensive Income.

In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31 March, 2023	31 March, 2022
Discount rate	7.38%	7.22%
Expected rate of future salary increase	5.00%	5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Company expects to contribute ₹ 243.86 Lakhs (Previous Year ₹ 176.05 Lakhs) in plan assets in the next year.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

43 EMPLOYEE BENEFITS (CONTD.)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(98.39)	100.32	(87.04)	79.78
Expected rate of future salary increase (0.5% movement)	83.41	(83.41)	74.46	(83.78)

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 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES"

A. Related parties and their relationships as per Ind AS 24

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director (CMD)
Mr. Abhishek Somany	Managing Director till 9 August, 2022 and Managing Director & CEO w.e.f 10 August, 2022
Mrs. Anjana Somany	Whole time Director (till 16 June, 2021) (Wife of CMD)
Mr. Sailesh Raj Kedawat [^]	Chief Financial Office (CFO) (w.e.f. 10 November, 2022)
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO) (till 31 May, 2022)
Mr. Ambrish Julka [^]	Sr. GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Mr. Abhishek Somany
Mr. Shrivatsa Somany	Son of Mr. Shreekant Somany
Mr. Ameya Somany	Son of Mr. Abhishek Somany (appointed w.e.f. 1 October, 2021)
Mr. G.G. Trivedi #	Non- Executive Director
Mr. Siddarath Bindra*	Non - Executive Director
Mr. Ravindra Nath*	Non - Executive Director
Mr. Salil Singhal*	Non - Executive Director
Mr. Rameshwar Singh Thakur*	Non - Executive Director
Mrs. Rumjhum Chatterjee*	Non - Executive Director
Mr. Vineet Agarwal*	Non - Executive Director

[^] KMP under the Companies Act, 2013

Non Independent Directors

* Independent Directors

ii Subsidiary Company

SR Continental Limited

Somany Bathware Limited

Amora Tiles Private Limited

Somany Fine Vitrified Private Limited

Somany Sanitaryware Private Limited

Somany Excel Vitrified Private Limited

Vintage Tiles Private Limited

Somany Piastrelle Private Limited

Vicon Ceramic Private Limited

Acer Granito Private Limited

Sudha Somany Ceramics Private Limited

Creanza Tiles Private Limited (Formerly known as Amora Ceramics Private Limited) (ceases to be subsidiary w.e.f. 1 July, 2022)

Somany Bath Fittings Private Limited

Somany Max Private Limited (w.e.f. 24 February, 2022)

SRCL Buildwell Private Limited (subsidiary of SR Continental Limited) (w.e.f. 9 November, 2021)

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

iii Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

iv. Employees Trusts

Somany Provident Fund Institution

SPL Employees Gratuity Fund

v. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Private Limited	Private company in which a director is director
Vidres India Ceramics Private Limited	Private company in which a director is director
Transport Corporation of India Limited	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI Express Limited	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI-Concor Multimodal Solutions Private Limited	Private company in which a director is director

B. Transactions with related parties

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	299.53	298.72
- Commission	100.00	-
Outstanding at the year-end:		
- Remuneration Payable	-	15.49
- Commission Payable	100.00	-
Mr. Abhishek Somany		
- Remuneration	470.93	378.32
- Commission	140.78	174.45
- Rent Paid	11.39	9.53
Outstanding at the year-end:		
- Remuneration Payable	-	16.81
- Commission Payable	140.78	174.45
Mrs. Anjana Somany		
- Remuneration	29.10	27.49
- Rent Paid	3.86	3.25
Outstanding at the year-end:		
- Remuneration Payable	-	1.53

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Mrs. Minal Somany		
- Remuneration	31.36	28.36
- Rent Paid	17.00	14.39
Outstanding at the year-end:		
- Remuneration Payable	-	1.28
Mr. Shrivatsa Somany		
- Remuneration	20.92	16.76
Mr. Ameya Somany		
- Remuneration	15.89	7.24
Outstanding at the year-end:		
- Remuneration Payable	-	1.09
Mr. Sailesh Raj Kedawat		
- Remuneration	53.73	-
Mr. Saikat Mukhopadhyay		
- Remuneration	41.05	130.99
Outstanding at the year-end:		
- Remuneration Payable	-	3.60
Mr. Ambrish Julka		
- Remuneration	36.71	31.94
- Sale of goods	-	0.26
Outstanding at the year-end:		
- Remuneration Payable	-	1.07
b) Non-Executive Directors		
Mr. G.G. Trivedi		
- Commission	2.00	1.50
- Sitting Fees	1.35	1.70
- Reimbursement of Expenses	0.12	-
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.18
Mr. Siddharath Bindra		
- Commission	2.00	1.50
- Sitting Fees	0.75	1.15
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	0.05	0.14

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Mr. Ravindra Nath		
- Commission	2.00	1.50
- Sitting Fees	0.45	0.95
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.14
Mr. Salil Singhal		
- Commission	2.00	1.50
- Sitting Fees	0.75	1.20
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	0.05	0.18
Mr. Rameshwar Singh Thakur		
- Commission	2.00	1.50
- Sitting Fees	1.30	1.75
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.18
Mrs. Rumjhum Chatterjee		
- Commission	2.00	1.50
- Sitting Fees	0.60	0.90
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	0.30	0.14
Mr. Vineet Agarwal		
- Commission	2.00	1.50
- Sitting Fees	0.60	1.15
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.18
Summary of payment made to KMP#		
Short term employee benefits*	1,162.53	1,033.72
Other Payments	11.51	9.53

* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.

During the year company has granted 29,216 options to KMPs out of which 22,678 options has been lapsed during the year, value of which shall be disclosed at the time of exercise of options.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
c) With Subsidiary Companies are as under		
SR Continental Limited		
- Rent paid	0.24	0.65
- Services rendered	0.60	0.60
- Investment made	-	250.00
- Payment made on their behalf	0.67	0.65
Somany Bathware Limited		
- Payment made on their behalf	0.06	0.05
- Services rendered	0.60	0.60
Amora Tiles Private Limited		
- Purchase of goods	8,450.40	6,968.95
- Interest received	24.28	-
- ICD given	655.00	-
- ICD received back	400.00	-
Outstanding at the year end:		
- Trade payable	152.30	-
- Other Receivable	-	445.47
- ICD receivable	255.00	-
Somany Sanitaryware Private Limited		
- Purchase of goods	5,657.51	5,524.28
- Sales of goods	143.40	20.43
- Interest received	79.20	82.48
- ICD received back	-	50.00
Outstanding at the year-end:		
- Trade Receivable	85.10	4.81
- Trade payable	464.69	329.55
- ICD receivable	880.00	880.00
Somany Fine Vitrified Private Limited		
- Purchase of goods	4,500.56	8,266.69
- Interest received	32.13	32.13
Outstanding at the year-end:		
- Trade payable	493.27	1,595.85
- ICD receivable	357.00	357.00
Somany Excel Vitrified Private Limited		
- ICD given	17.00	95.00
- ICD received back	92.00	20.00

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(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
- Interest received	0.48	1.08
- Services rendered	0.60	0.60
- Payment made on their behalf	-	0.62
Outstanding at the year-end:		
- ICD receivable	-	75.00
- Interest receivable	-	0.97
Vintage Tiles Private Limited		
- Purchase of goods	14,319.22	13,477.70
- Fees received for technical services	180.00	180.00
- Interest received	22.50	33.87
- ICD received back	-	276.00
Outstanding at the year-end:		
- Trade payable	813.52	887.74
- ICD receivable	250.00	250.00
Vicon Ceramic Private Limited		
- Purchase of goods	5,483.84	4,745.15
- Interest received	17.25	40.48
- ICD given	-	150.00
- ICD received back	175.00	150.00
Outstanding at the year-end:		
- Trade payable	348.53	708.17
- ICD receivable	164.50	339.50
Acer Granito Private Limited		
- Purchase of goods	8,011.79	8,718.86
- Interest received	0.24	20.31
- ICD received back	35.99	294.01
Outstanding at the year-end:		
- Trade payable	825.73	1,197.66
- ICD receivable	-	35.99
Sudha Somany Ceramics Private Limited		
- Purchase of goods	18,687.98	11,818.27
- Rent Paid	6.00	6.00
- Investment in equity shares	-	967.50
- ICD given	200.00	967.50
- Interest received	251.47	203.22

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Outstanding at the year-end:		
- Interest receivable	226.32	50.69
- Security deposit receivable	105.00	105.00
- Trade Payable	972.71	1,057.33
- ICD receivable	2,424.50	2,224.50
Creanza Tiles Private Limited (Formerly known as Amora Ceramics Private Limited)		
- Purchase of goods	1,478.54	3,738.66
- Interest received	11.16	23.41
Outstanding at the year-end:		
- ICD receivable*		260.10
- Trade payable*		387.67
- Interest receivable*		-
Somany Bath Fittings Private Limited		
- Purchase of goods	4,137.75	3,291.59
- Sale of goods	14.13	26.74
- Sale of Property, Plant and Equipment	-	0.44
- Rent Paid	0.25	0.25
- Rent Received	0.25	0.16
- Payment made on their behalf	-	0.08
- Services rendered	72.00	-
- Interest received	15.16	-
- ICD given	200.00	-
Outstanding at the year-end:		
- Trade payable	83.16	121.86
- ICD receivable	200.00	-
- Trade Receivable	27.43	-
Somany Piastrelle Private Limited		
- Investment in equity shares	-	964.00
- Interest received	1,035.69	326.50
- Purchase of goods	7,890.27	-
- Sale of goods	3.03	22.20
- Sale of Property, plant and equipment	17.23	848.33
- Payment made on their behalf	0.13	4.60
- ICD given	2,350.00	10,750.00
- ICD received back	600.00	600.00

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Outstanding at the year-end:		
- Trade Receivable	-	34.86
- Trade payable	354.43	-
- Trade Advance	-	2.64
- Interest Receivable	1,215.64	293.85
- ICD receivable	11,900.00	10,150.00
Somany Max Private Limited		
- Investment in equity shares	3,999.00	1.00
- Rent Received	0.22	-
- Payment made on their behalf	45.00	-
- Interest received	113.53	-
- ICD given	5,851.00	-
- ICD received back	3,800.00	-
Outstanding at the year-end:		
- Trade Advance	0.09	-
- Interest Receivable	36.49	-
- ICD receivable	2,051.00	-
d) With Employees Trusts are as under:-		
Somany Provident Fund Institution		
- Contribution made	-	58.78
- Administration Charges	-	2.94
SPL Employees Gratuity Fund		
- Contribution made	215.45	237.00
e) With Other Related Parties are as under:-		
H. L. Somany Foundation		
- Contribution towards CSR Activities	148.00	112.53
Trans India Ceramics Private Limited		
- Purchase of goods	76.08	98.79
- Purchase of Property, Plant and Equipment	-	186.30
- Services received	18.69	12.37
Outstanding at the year-end:		
- Trade payable	-	2.24
Vidres India Ceramics Private Limited		
- Purchase of goods	3,431.27	3,031.29
- Sale of Goods	3.02	-

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Outstanding at the year-end:		
- Trade payable	135.44	175.43
Transport Corporation of India Limited		
- Services received	75.02	67.18
Outstanding at the year-end:		
- Trade payables	4.39	18.45
TCI Express Limited		
- Services received	48.72	60.78
- Reimbursement of Expenses	-	0.37
Outstanding at the year-end:		
- Trade payables	10.69	12.20
TCI-Concor Multimodal Solutions Private Limited		
- Services received	-	6.19
Outstanding at the year-end:		
- Trade payables	-	1.28

* Balance outstanding as on the date of cessation of subsidiary; ICD receivable ₹ 260.10 Lakhs, Trade payable of ₹ 154.27 Lakhs and Interest receivable ₹ 5.25 Lakhs.

Also refer note no. 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.42.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

45 ANALYTICAL RATIOS

S. No.	Particular	Numerator (A)	Denominator (B)	31 March, 2023	31 March, 2022	% of variance	Reason for Variances
1	Current Ratio	Current Assets	Current Liabilities	1.19	1.20	(1.27)%	-
2	Debt-Equity Ratio	Total Debt	Net worth	0.22	0.31	(26.31)%	Due to reduction in debt obligation.
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	3.65	3.64	0.48%	-
4	Return on Equity Ratio	Net Profits after taxes	Average Net worth	12.11%	13.30%	(8.91)%	-
5	Inventory turnover ratio	Sales	Closing Inventory	14.47	21.51	(32.71)%	Due to increase in Inventory
6	Trade Receivables turnover ratio	Credit Sales	Closing Trade Receivables	9.27	8.79	5.46%	-
7	Trade payables turnover ratio	Credit Purchases	Closing Trade Payable	6.65	6.96	(4.47)%	-
8	Net capital turnover ratio	Sales	Working capital	17.88	17.50	2.18%	-
9	Net profit ratio	Net profit	Sales	3.71%	4.26%	(12.86)%	-
10	Return on Capital employed	Earning before exceptional items, interest and taxes	Average Capital Employed	13.60%	14.28%	(4.77)%	-
11	Return on investment	Income Received on Loans, FDRs and current investments	Average of Loans, FDRs and current investments	6.46%	5.18%	24.77%	-

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I Fair value measurements

A. Financial instruments by category

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial assets				
Investments				
Current	2,962.72	-	5,898.99	-
Loans				
Non current	-	18,342.10	-	14,497.09
Current	-	480.00	-	175.00
Trade receivables	-	26,184.20	-	23,448.93
Cash and cash equivalents	-	10,967.35	-	8,380.56
Bank balances other than above	-	35.77	-	4,101.61
Others				
Non current	-	1,141.27	-	961.40
Current	-	1,540.86	-	699.53
	2,962.72	58,691.55	5,898.99	52,264.12
Financial liabilities				
Borrowings				
Non current	-	800.78	-	1,776.19
Current	-	16,812.12	-	19,707.92
Lease Liability				
Non current	-	3,778.44	-	2,942.21
Current	-	807.35	-	644.30
Other financial liabilities				
Non Current	-	3,044.05	-	2,781.26
Current	-	207.27	-	414.33
Trade payables	-	29,581.74	-	23,023.97
	-	55,031.75	-	51,290.18

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognized and measured at fair value and
- measured at amortized cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,344.51	1,618.21	-	2,962.72
Total financial assets	1,344.51	1,618.21	-	2,962.72

Particulars	As at 31 March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,384.44	4,514.55	-	5,898.99
Total financial assets	1,384.44	4,514.55	-	5,898.99

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and Debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example- mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

C. Financial assets and liabilities measured at amortized cost

Particulars	Level	As at 31 March, 2023		As at 31 March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Loans					
Non Current	3	18,342.10	18,342.10	14,497.09	14,497.09
Current	3	480.00	480.00	175.00	175.00
Trade receivables - current	3	26,184.20	26,184.20	23,448.93	23,448.93
Cash and cash equivalents	3	10,967.35	10,967.35	8,380.56	8,380.56
Bank balances other than above	3	35.77	35.77	4,101.61	4,101.61
Others					
Non Current	3	1,141.27	1,020.20	961.40	859.94
Current	3	1,540.86	1,540.86	699.53	699.53
		58,691.55	58,570.48	52,264.12	52,162.66
Financial liabilities					
Borrowings					
Non current	3	800.78	800.78	1,776.19	1,776.19
Current	3	16,812.12	16,812.12	19,707.92	19,707.92
Lease Liability					
Non current	3	3,778.44	3,778.44	2,942.21	2,942.21
Current	3	807.35	807.35	644.30	644.30
Other Financial Liability					
Non current	3	3,044.05	3,044.05	2,781.26	2,781.26
Current	3	207.27	207.27	414.33	414.33
Trade payables - current	3	29,581.74	29,581.74	23,023.97	23,023.97
		55,031.75	55,031.75	51,290.18	51,290.18

The fair value of current financial assets and liabilities carried at amortized cost is considered equal to the carrying amounts of these items due to their short-term nature. The fair value of items that are Non-current in nature, has been determined using discounted cash flow basis.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

II Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework.

The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Financial loss to the Company, arising, if a customer or counterparty to a financial instrument fails to meet its contractual obligations principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk closely both in domestic and export market.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales credit limit are set up for each customer and reviewed periodically. The credit risk from loans to other corporate is managed in accordance with the Company's fund management policy that includes parameters of safety, liquidity and post tax returns. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank reference checks are also done.

The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Particulars	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
As at 31 March, 2023							
Gross Carrying amount	20,048.90	5,358.22	110.48	48.27	164.47	2,706.18	28,436.52
Specific Provision	-	(7.21)	(3.50)	(22.76)	(107.78)	(2,060.07)	(2,201.32)
Expected loss rate	0.16%	0.16%	5.48%	4.68%	0.86%	0.00%	0.18%
Expected credit losses	(32.57)	(8.70)	(6.05)	(2.26)	(1.42)	-	(51.00)
Carrying amount	20,016.33	5,342.31	100.93	23.25	55.27	646.11	26,184.20

Particulars	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
Gross Carrying amount	17,505.05	4,417.89	112.37	173.94	559.17	2,606.38	25,374.80
Specific Provision	-	-	(5.53)	(51.00)	(217.24)	(1,608.67)	(1,882.44)
Expected loss rate	0.09%	0.09%	2.22%	3.16%	2.70%	0.00%	0.17%
Expected credit losses	(16.26)	(4.11)	(2.50)	(5.49)	(15.07)	-	(43.43)
Carrying amount	17,488.79	4,413.78	104.34	117.45	326.86	997.71	23,448.93

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Opening balance	1,925.87	1,820.74
Changes in loss allowance	326.45	105.13
Closing balance	2,252.32	1,925.87

Investments

Company invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Company avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Company does not expect any significant risk of default other than as disclosed.

iii. Liquidity risk

Liquidity risk is the risk that the Company may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

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.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31 March, 2023	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current borrowings*	2,242.06	-	1,441.28	800.78	-
Lease Liability	4,585.79	-	1,176.66	3,453.21	1,321.48
Other non-current financial liabilities	3,044.05	-	-	-	3,044.05
Current borrowings	15,370.84	-	15,370.84	-	-
Trade payables	29,581.74	-	29,581.74	-	-
Other current financial liabilities	207.27	-	207.27	-	-
Total financial liabilities	55,031.75	-	47,777.79	4,253.99	4,365.53

Particulars	Carrying Amount 31 March, 2022	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current borrowings*	4,193.40	-	2,417.21	1,776.19	-
Lease Liability	3,586.51	-	931.69	2,777.30	895.96
Other non-current financial liabilities	2,781.26	-	-	-	2,781.26
Current borrowings	17,290.71	69.91	17,220.80	-	-
Trade payables	23,023.97	-	23,023.97	-	-
Other current financial liabilities	414.33	-	414.33	-	-
Total financial liabilities	51,290.18	69.91	44,008.00	4,553.49	3,677.22

* Including current maturity of non current borrowings

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in CNY, EURO, AUD & NPR. The risk is measured through a forecast of highly probable foreign currency cash flows.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs).

	As at 31 March, 2023					As at 31 March, 2022				
	USD	CNY	EUR	AUD	NPR	USD	CNY	EUR	AUD	NPR
Receivables (A)	3.44	0.01	-	-	-	6.33	0.01	0.00	0.21	-
Payables (B)	0.58	0.35	0.15	-	0.90	0.95	-	0.05	-	0.92
Net statement of financial position exposure (B-A)	(2.86)	0.34	0.15	-	0.90	(5.38)	(0.01)	0.05	(0.21)	0.92

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD 1	78.59	74.51	81.79	75.39
CNY 1	11.96	11.57	11.94	11.97
EUR 1	87.82	86.56	90.35	85.29
AUD 1	55.38	55.75	54.64	56.12
NPR 1	0.63	0.63	0.63	0.63

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Company's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2023				
USD (10% movement)	23.39	(23.39)	17.50	(17.50)
CNY (10% movement)	(0.41)	0.41	(0.30)	0.30
EUR (10% movement)	(1.36)	1.36	(1.01)	1.01
NPR (10% movement)	0.06	(0.06)	0.04	(0.04)

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2022				
USD (10% movement)	40.56	(40.56)	30.35	(30.35)
CNY (10% movement)	0.01	(0.01)	0.01	(0.01)
EUR (10% movement)	(0.43)	0.43	(0.32)	0.32
AUD (10% movement)	(1.18)	1.18	(0.88)	0.88
NPR (10% movement)	(0.06)	0.06	(0.04)	0.04

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

46 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March, 2023 and 31 March, 2022, 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	
	31 March, 2023	31 March, 2022
Fixed-rate instruments		
Borrowings	319.84	-
	319.84	-
Variable-rate instruments		
Borrowings*	1,922.22	4,263.31
	1,922.22	4,263.31

*excluding bills discounting on which the Company has no interest exposure.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 March, 2023				
Variable-rate instruments				
Borrowings	(9.61)	9.61	(7.19)	7.19
Cash flow sensitivity	(9.61)	9.61	(7.19)	7.19
31 March, 2022				
Variable-rate instruments				
Borrowings	(21.32)	21.32	(15.95)	15.95
Cash flow sensitivity	(21.32)	21.32	(15.95)	15.95

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate borrowings at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

47 CAPITAL-WORK-IN PROGRESS (CWIP) AGEING SCHEDULE AS ON 31 MARCH, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	90.62	-	-	-	90.62
Total	90.62	-	-	-	90.62

Capital-Work-in Progress (CWIP) Ageing Schedule as on 31 March, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,428.06	-	-	-	4,428.06
Total	4,428.06	-	-	-	4,428.06

There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the projects under capital works in progress as on 31 March, 2023 and 31 March, 2022.

48 PAYMENT TO AUDITORS

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Statutory audit fee	15.00	12.50
Tax audit fee	2.50	2.50
Limited Review and Certification fee	5.75	7.70
Reimbursement of expenses	1.42	0.55
Total	24.67	23.25

Includes fees paid to statutory auditors of amalgamating companies (Refer note no. 62).

49 EXCEPTIONAL ITEM

The Company has divested its investment in one of its subsidiary Amora Ceramics Private Limited, w.e.f 1 July, 2022 resulting loss of control over the subsidiary. This has no material impact on the operations of the Company. Loss on disinvestment of ₹ 96.79 Lakhs has been shown under the head Exceptional Item.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

50 SHARE BASED PAYMENTS

a) Scheme Details

Nomination and Remuneration Committee (NRC) and Board of Directors at its respective meetings held on 10 December, 2021, approved an issue of stock options aggregating 4,23,794 equity shares of the face value of ₹ 2 each, up to a maximum of 1% of the then issued equity capital of the Company. The shareholders of the Company vide their special resolution passed through postal ballot on 7 April, 2022 approved the issue of equity shares of the Company under Somany Ceramics Employee Stock Option Plan 2021.

Details of options granted by NRC under the said scheme are as follows:

Particulars	Tranche 1	Tranche 2
No. of Options Granted	3,50,102	1,01,107
Grant Date	29 April, 2022	7 February, 2023
Vesting Schedule	The vesting period for conversion of Options is as follows: <ul style="list-style-type: none"> • On completion of 24 months from the date of grant of the Options: 25% vests • On completion of 36 months from the date of grant of the Options: 25% vests • On completion of 48 months from the date of grant of the Options: 25% vests • On completion of 60 months from the date of grant of the Options: 25% vests 	
Maximum term of Exercise period	7 years from the date of vesting	
Method of settlement	Equity	
General terms and conditions of Plan	Each Option entitles the holder thereof to apply for and be allotted 1 Ordinary Share of the Company of ₹ 2.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of seven years from the date of vesting in respect of Options granted under the plan.	

b) Compensation expenses arising on account of share based payment

Particulars	31 March, 2023	31 March, 2022
Expenses arising from equity settled share-based payment transactions	259.15	NA

c) Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. Details for which are as under:

Particulars	Tranche 1	Tranche 2
Grant Date	29 April, 2022	7 February, 2023
Exercise price	647.85	536.05
Weighted Average Fair value	329.74	270.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%
Expected life	5.5-8.5 years	5.5-8.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%
Expected dividends	0.88%	0.85%
The price of the underlying shares in market at the time of Option grant	647.85	536.05

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

50 SHARE BASED PAYMENTS (CONTD.)

- Methodology for determination of expected volatility : The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options.
- Expected life : The expected option life is assumed to be average between the option vesting and expiry (total time period available with an employee to exercise an option). Since there are multiple vesting and expiry period of each tranche, consequently the expected life will be different for each vesting schedule.

d) Movement in share options during the year (in Numbers):

Particulars	Tranche 1	Tranche 2
Balance at the beginning of the year	-	-
Granted during the year	3,50,102	1,01,107
Exercised during the year	-	-
Forfeited/lapsed during the year	34,806	-
Expired during the year	-	-
Balance at the end of the year	3,15,296	1,01,107
Exercisable as at 31 March, 2023	-	-

51 DIVIDEND

During the year, the Company has paid dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs towards final dividend for the year ended 31 March, 2022. Further, the Board of directors has recommended dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs in their meeting held on 23 May, 2023 for the financial year ended 31 March, 2023 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

52 SEGMENT REPORTING

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

- 53 Based on the information available, as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	31 March, 2023	31 March, 2022
Principal amount remaining unpaid to any supplier as on	4,074.99	2,322.49
Interest due on the principal remaining unpaid to any supplier as on	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
the amount of interest accrued and remaining unpaid during the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

Notes to Standalone Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

54

(A) - Trade Receivables ageing

Trade Receivables ageing schedule for the period ended 31 March, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	20,048.90	5,348.57	105.25	13.02	7.80	-	25,523.54
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	9.65	4.35	35.23	148.65	1,945.84	2,143.72
(iii) Disputed Trade Receivables – credit impaired	-	-	0.88	0.02	8.02	760.34	769.26
	20,048.90	5,358.22	110.48	48.27	164.47	2,706.18	28,436.52

Trade Receivables ageing schedule for the period ended 31 March, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	17,505.05	4,417.89	101.32	71.94	138.90	-	22,235.10
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	11.05	102.00	418.88	1,999.37	2,531.30
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	1.39	607.01	608.40
	17,505.05	4,417.89	112.37	173.94	559.17	2,606.38	25,374.80

(B) - Trade Payables ageing

Trade Payables ageing schedule for the period ended 31 March, 2023

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	4,074.99	-	-	-	-	4,074.99
ii) Others	441.98	22,813.70	2,175.32	41.33	3.27	31.15	25,506.75
	441.98	26,888.69	2,175.32	41.33	3.27	31.15	29,581.74

Trade Payables ageing schedule for the period ended 31 March, 2022

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	2,306.08	-	-	-	-	2,306.08
ii) Others	427.83	18,087.77	2,156.67	7.21	14.68	23.73	20,717.89
	427.83	20,393.85	2,156.67	7.21	14.68	23.73	23,023.97

*Outstanding dues of Micro Enterprises & Small Enterprises only.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

55 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarizes the capital of the Company.

Particulars	31 March, 2023	31 March, 2022
Equity Share Capital	849.48	849.48
Other Equity	77,471.32	69,553.67
Total Equity	78,320.80	70,403.15
Non-Current Borrowings	800.78	1,776.19
Current maturities of Non-Current Borrowings	1,441.28	2,417.21
Current Borrowings	15,370.84	17,290.71
Total Debts	17,612.90	21,484.11

56 CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES ARE AS UNDER:

Particulars	31 March, 2023	Cash Flow changes	Non Cash Changes		31 March, 2022
			Expense Accrued	Others	
Non Current borrowings*	2,242.06	(1,951.34)	-	-	4,193.40
Current borrowings	15,370.84	(1,919.87)	-	-	17,290.71
Lease Liability	4,585.79	(674.63)	-	1,673.91	3,586.51
Interest Accrued	0.08	(787.49)	787.25	-	0.32
Total liabilities from financing activities	22,198.77	(5,333.33)	787.25	1,673.91	25,070.94

Particulars	31 March, 2022	Cash Flow changes	Non Cash Changes		As at 31 March, 2021
			Expense Accrued	Others	
Non Current borrowings*	4,193.40	(1,852.26)	-	-	6,045.66
Current borrowings	17,290.71	5,678.36	-	-	11,612.35
Lease Liability	3,586.51	(640.61)	-	523.03	3,704.09
Interest Accrued	0.32	(936.48)	799.91	-	136.89
Total liabilities from financing activities	25,070.94	2,249.01	799.91	523.03	21,498.99

* Including current maturity of non current borrowings.

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

57 The Company has made investments in Subsidiary Companies (under Ind AS) as detailed below:

Name	Country of Incorporation	Percentage of holding as at 31 March, 2023	Percentage of holding as at 31 March, 2022
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%
Somany Piastrelle Private Limited	India	100%	100%
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited	India	60%	60%
Creanza Tiles Private Limited (Formerly known as Amora Ceramics Private Limited) (ceases to be subsidiary w.e.f. 1 July, 2022)	India	-	51%
Somany Bath Fittings Private Limited	India	100%	100%
Somany Max Private Limited*	India	80%	100%
SRCL Buildwell Private Limited (subsidiary of SR Continental Limited) #	India	100%	100%

* Incorporated on 24 February, 2022 to carry out the business of manufacturing of large format/slab tiles.

Incorporated on 9 November, 2021 to carry out the business of trading of premium range of tiles and allied products.

58 LEASE DISCLOSURE

I. Company as a lessee

The Company incurred following expenses towards short-term leases and leases of low-value assets.

Lease payments not recognized as a Lease Liability.

Particulars	31 March, 2023	31 March, 2022
Short-term Leases	133.11	76.78
Leases of Low Value Assets	0.76	0.74

II. Company as a lessor

The Company has recognized rent income under the head of other income as follows:

Particulars	31 March, 2023	31 March, 2022
Rent received during the year	16.28	13.23

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

- 59** The Company is required to spent 2% of average net profit of last three preceding financial years towards Corporate Social Responsibility (CSR) activities under section 135 of the Companies Act, 2013 and accordingly the Company has spent ₹ 148.00 Lakhs (Previous Year ₹ 116.68 Lakhs) during the year and the same is recognized in Statement of Profit and Loss. Necessary details are disclosed below:

Particulars	Amount required to spent by company during the year	Amount of expenditure incurred	shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall
2022-23*	148.00	148.00	-	-	
2021-22**	116.68	116.68	-	-	

*CSR activities includes promoting health care including preventive health care, skill development & livelihood/ employment enhancement, promoting education, Measures for reducing inequalities faced by orphans and economically backward groups and administration expenses.

**CSR activities includes promoting health care including preventive health care, skill development & livelihood/ employment enhancement, promoting education, protection of national heritage, art and culture, training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports, rural development projects and administration expenses.

The Company has spent ₹ 148.00 Lakhs (previous year-₹ 112.53 Lakhs) through H. L. Somany Foundation which is related party of the Company. Details of Related party transactions are given in Note No. 44 .

- 60** There are following charges appearing on the website of the MCA. These are very old charges against which the Company has no loan outstanding as at reporting date. The Company is taking up with the MCA to remove these charges from its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	24.00	Kolkata
2	L.I.C. OF INDIA	24.00	Kolkata
3	L.I.C. OF INDIA	24.00	Kolkata
4	H.D.F.C. LIMITED	19.65	Kolkata
5	ICICI BANK LIMITED	50.00	Kolkata

61 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO BE DISCLOSED IN THE FINANCIAL STATEMENTS

- A. Detail of transactions and relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:**

Name	Nature of transaction	Balance as at 31 March, 2023	Balance as at 31 March, 2022	Relationship
Rabjyot Tradecon Private Limited*	Trade Receivable	15.73	25.73	None

* payment received during the year from the director of struck off company on its behalf.

- B. Other disclosures required under Schedule III amendments**

- No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31 March, 2023 and 31 March, 2022 which needs to be recorded in the books of account.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

61 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO BE DISCLOSED IN THE FINANCIAL STATEMENTS (CONTD.)

- v) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- vi) Utilization of borrowed funds and share premium:-
 - a) The Company during the year has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries (w.r.t transaction in previous year refer note no. 39) .
 - b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii) Borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

62 BUSINESS COMBINATION

A. In earlier years, the Hon'ble National Company Law Tribunal Kolkata bench, (NCLT) vide order dated 4 September, 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. 1 April, 2018. The Scheme became effective on 25 September, 2019. Impact of the scheme has been considered during the year ended 31 March, 2020.

B. Amalgamation with Schablona India Limited (SIL)

During the previous year, the Hon'ble National Company Law Tribunal Kolkata bench, (NCLT) vide order dated 20 December, 2021 and the Hon'ble National Company Law Tribunal Delhi bench vide order dated 24 December, 2021, sanctioned the Scheme of Amalgamation of Schablona India Limited (Amalgamating Company) engaged in the business of manufacturing and trading of tiles and home decor, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. 1 April, 2019. The Scheme became effective on 1 January, 2022 on filing of orders with respective Registrar of Companies.

The accounting effect of this Amalgamation to in the financial statements has been given as under:-

- i) In terms of the said scheme, authorized capital of the Company has since been increased by ₹ 500 Lakhs (2,50,00,000 equity shares of ₹ 2 each) on merger of authorized share capital of SIL.
- ii) In terms of the said Scheme, 3 (Three) fully paid-up equity share of ₹ 2 each of the Company shall be issued and allotted to the Shareholders of the SIL for every 100 (Hundred) Equity shares of ₹ 4 each held by them. These shares shall rank pari passu in all respect (including dividend) with the existing shareholders of the Company. Any fraction of share arising out of the share exchange process, if any, will be rounded off to nearest whole number. 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 SIL ₹ 126.37 Lakhs consisting of 31,59,215 equity shares of ₹ 4 each as on the Appointed Date stand cancelled.
- iv) The Company has recorded all assets and liabilities of the SIL at their respective book values as appearing in the books of account of the SIL immediately before the appointed date and audited by auditor of SIL.

Notes to Standalone Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

62 BUSINESS COMBINATION (CONTD.)

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e. 1 April, 2019) is as follows:

Particular	Amount
a) Summary of Assets, Liabilities and Reserve acquired	
Assets	
Non-Current Assets	
Property, Plant and Equipment	270.27
Other Non-Current Assets	13.56
Current Assets	
Inventories	179.96
Financial Assets	
Trade Receivables	277.67
Cash and Cash Equivalents	14.02
Bank balances other than above	17.96
Current Tax Assets	4.57
Other Current Assets	45.77
Total Assets (x)	823.78
Liabilities	
Non-Current Liabilities	
Financial Liabilities	
Borrowings	7.21
Other Financial Liabilities	152.26
Provisions	5.62
Current Liabilities	
Financial Liabilities	
Borrowings	1,085.00
Trade Payables	
Outstanding dues to Micro and Small Enterprises	1,209.75
Outstanding dues other than Micro and Small Enterprises	165.98
Other Financial Liabilities	80.82
Other Current Liabilities	7.14
Total Liabilities (y)	2,713.78
Other Equity	
Capital reserve	0.63
General reserve	75.00
Retained earnings	(2,092.01)
Total Other Equity (z)	(2,016.38)

Notes to Standalone Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

62 BUSINESS COMBINATION (CONTD.)

Particular	Amount
b) Assets (net off liabilities) and other equity acquired as at 1 April, 2019 (x-y-z)	126.38
c) Consideration	
94,782 equity shares of ₹ 2 each issued to the shareholders of SIL on 13 January, 2022	1.90
d) Capital Reserves (b-c)	124.48
e) The Scheme of Amalgamation has been given effect from appointment date i.e. 1 April, 2019 as required under section 232 (6) of the Companies Act, 2013, accordingly Financial Statements for the year end 31 March, 2020 and 31 March, 2021 has been restated incorporating the effect of scheme of amalgamation.	

63 The Company has been sanctioned working capital limit from bank on the basis of security of current assets. The quarterly returns/ statements filed by the Company with the bank, are in agreement with the books of accounts of the Company of the respective quarters and differences, are not material.

64 During the financial year 2018-19, the Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated 11 February, 2021 with the Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated 12 February, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs), which has since been transferred in the name of the Company, as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the said MOU, the Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. The Company has during the year sold on property and increased the "Liability under Defalcation Suit". Awaiting the final decree of the Hon'ble Civil Court, the Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 16 amounting to ₹ 657.75 Lakhs (Previous year ₹ 657.75 Lakhs) and also recognized 'Liability under Defalcation Suit' amounting to ₹ 665.78 Lakhs (net of Expenses) (Previous year ₹ 669.64 Lakhs) under Note no 28. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.

65 In case of paying agent arrangements the Company was earlier derecognizing trade payable and recognizing such liabilities as current borrowings, however, since these liabilities have a similar nature and function to trade payables as these are part of the working capital used in the Company's normal operating cycle, accordingly, in order to give more appropriate presentation, the Company has reclassified previous year liabilities of ₹ 3,467.62 Lakhs on account of paying agent arrangements from current "Borrowings" to "Trade payable" to conform current year classification of ₹ 5,913.89 Lakhs.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Independent Auditor's Report

To the Members of Somany Ceramics Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Somany Ceramics Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and 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

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, 2023. 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.

the consolidated state of affairs of the Group as at March 31, 2023, 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.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of trade receivables, loans and other financial assets</p> <p>The Holding Company assesses periodically and at each financial year end, expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics.</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 financial assets as at the reporting date.</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Holding Company's credit policy for trade receivables, process of approvals and terms and conditions for granting inter corporate deposits and business exigencies for other financial assets and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade and other financial assets and management's assessment on the credit worthiness of selected customers for trade receivables and recoverability of other financial assets. We have obtained year-end balance confirmations for inter corporate deposits and obtained confirmation from selected customers as on date determined by us. We further discussed with the key management on the adequacy of the allowance for credit</p>

Independent Auditor's Report (Contd.)

S.N.	Key Audit Matter	Auditor's Response
		<p>losses recorded by the Holding Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit losses based on available information. Based on our audit procedures performed, we found management's assessment of the recoverability of trade and other financial assets to be reasonable.</p>
2.	<p>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 Holding Company on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, and turnover rate.</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 debentures and mutual funds. Fair valuation of current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgement due to illiquid in nature. 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 Holding Company for accounting and valuing their current investments. We have reviewed year end depository participants. We have verified that the Holding 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, 2023 and testing for impairment. Based on the audit procedures performed we are satisfied with existence and valuation of investment.</p>

OTHER INFORMATION

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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 CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial statements 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

Independent Auditor's Report (Contd.)

in equity of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group

Independent Auditor's Report (Contd.)

to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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, 2023 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 seven subsidiaries, whose financial statements include total assets of ₹ 18,177 Lakhs

as at March 31, 2023, total revenues of ₹ 10,468 Lakhs, total net profit/(loss) after tax of ₹ (24) Lakhs, total comprehensive income of ₹ (19) Lakhs, for the year ended on that date, and net cash inflows of ₹ 2,615 Lakhs for the year ended on that date, whose audited 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 as required by Section 143(3) of the Act included in respect of these subsidiaries is based solely on reports of the other auditors.

- b. We did not audit the financial statements of Six subsidiaries, whose financial statements include total assets of ₹ 57,463 Lakhs as at March 31, 2023, total revenues of ₹ 62,716 Lakhs, total net profit/(loss) after tax (1,166) Lakhs, total comprehensive income of ₹ (1,153) Lakhs, for the year ended on that date, and net cash outflows of ₹ 493 Lakhs for the year ended of the Holding 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 as required by Section 143(3) of the Act included in respect of these subsidiaries is based solely on fit for consolidation reports of the other auditors.
- c. One subsidiary, ceased to be a subsidiary with effect from July 01, 2022, whose financial results includes total revenues of ₹ 1,494 Lakhs, total net profit after tax of ₹ 7 Lakhs and total comprehensive Income of ₹ 7 Lakhs and net cash outflows of ₹ 4 Lakhs for the period April 01, 2022 to June 30, 2022 as considered in the Statement. These financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor. The above subsidiary is not material to the Group for the purpose of consolidated financial results for the year ended March 31, 2023.

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.

Independent Auditor's Report (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - D. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - E. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure B" to this report;
 - G. 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 39 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.
 - iv. a) The respective Managements of the Company and its subsidiaries have represented that, to the best of their knowledge and belief, as disclosed in the Note 55C to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Independent Auditor's Report (Contd.)

- b) The respective Managements of the Company and its subsidiaries have represented, that, to the best of their knowledge and belief, as disclosed in the Note 55C to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement
- I. As stated in Note 48 to the consolidated financial statements-
- a. The dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- b. The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- c. Subsidiary Companies have not declared or proposed any dividend during the year.
- J. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- K. In our opinion and based on the reports of the statutory auditors of subsidiary companies incorporated in India, the remuneration paid/provided during the year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 of the Act

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Membership No. 088926
UDIN: 23088926BGXBBF1195

Place: Noida (Delhi-NCR)

Date: 23 May, 2023

Annexure A to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Consolidated Financial Statements as of and for the year ended on March 31, 2023 (refer to in paragraph 1 of our report on other legal and regulatory requirements)

Based on the audit report submitted by the auditors of following companies included in the consolidated financial statements, there have been adverse remarks in the following clause by respective auditors in the Companies (Auditor's Report) Order (CARO) Report.

S. No.	Name	CIN	Holding/ Subsidiary	Clause no. of the CARO report which is qualified or adverse
1.	Amora Tiles Private Limited	U26933GJ2013PTC075379	Subsidiary	(ii) (b)
2.	Somany Sanitary Ware Private Limited	U26915GJ2012PTC070115	Subsidiary	(ii) (b)
3.	Somany Piastrelle Private Limited	U26990DL2021PTC377203	Subsidiary	(ii) (b)
4.	Acer Granito Private Limited	U26914GJ2008PTC053525	Associate #	(ii) (b)
5.	Vintage Tiles Private Limited	U26933GJ2010PTC062196	Associate #	(vii)(a)

Subsidiary as per IND AS

Annexure B to Independent Auditor's Report of even date to the members of Somany Ceramics Limited on the Consolidated Financial Statements as of and for the year ended on March 31, 2023 (refer to in paragraph 2(F) of our report on other legal and regulatory requirements)

We have audited the internal financial controls over financial reporting of Somany Ceramics Limited ("the Holding Company") and its subsidiary companies incorporated in India (the Holding Company and its subsidiaries together referred to as "the Group"), as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, 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

Annexure B to Independent Auditor's Report (Contd.)

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, 2023, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER 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.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani

Partner

Place: Noida (Delhi-NCR)

Date: 23 May, 2023

Membership No. 088926

UDIN: 23088926BGXBBF1195

Consolidated Balance Sheet

As at 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes No.	As at 31 March, 2023	As at 31 March, 2022
Assets			
Non-current Assets			
Property, Plant and Equipment	3 (i)	96,472.59	71,017.95
Capital work-in-progress	3 (ii)	4,725.59	22,670.63
Right of use Assets	3 (iii)	4,294.07	3,431.42
Other Intangible Assets	3 (iv)	22.21	27.46
Goodwill on Consolidation		727.97	727.97
Financial Assets			
(i) Loans	4	260.10	-
(ii) Other Financial Assets	5	1,785.56	1,545.86
Deferred Tax Assets (Net)	22	836.46	405.17
Other Non-Current Assets	6	2,045.94	800.48
		1,11,170.49	1,00,626.94
Current Assets			
Inventories	7	39,147.95	27,367.02
Financial Assets			
(i) Investments	8	3,185.03	6,002.85
(ii) Trade Receivables	9	26,831.38	23,683.64
(iii) Cash and Cash Equivalents	10	14,607.52	9,376.23
(iv) Bank Balances other than (iii) above	11	846.66	5,484.49
(v) Loans	12	80.00	300.00
(vi) Other Financial Assets	13	126.79	617.45
Current Tax Assets (net)	14	1,097.05	1,967.42
Other Current Assets	15	4,018.10	3,803.11
		89,940.48	78,602.21
Total Assets		2,01,110.97	1,79,229.15
Equity and Liabilities			
Equity			
Equity Share Capital	16	849.48	849.48
Other Equity	17	77,847.46	71,780.17
		78,696.94	72,629.65
Non-controlling Interest		10,756.68	10,761.83
Total Equity		89,453.62	83,391.48
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	18	18,511.02	17,461.17
(ii) Lease Liabilities		3,778.44	2,942.21
(iii) Other Financial Liabilities	19	3,067.10	2,798.76
Provisions	20	1,044.99	871.86
Deferred Income	21	-	102.39
Deferred Tax Liabilities (Net)	22	3,269.10	3,634.71
Other Non-Current Liabilities	23	602.97	474.31
		30,273.62	28,285.41
Current Liabilities			
Financial Liabilities			
(i) Borrowings	24	30,325.83	30,193.85
(ii) Lease Liabilities		807.35	644.30
(iii) Trade Payables	25		
Outstanding dues of Micro Enterprises and Small Enterprises		4,273.24	2,377.37
Outstanding dues other than Micro Enterprises and Small Enterprises		33,490.44	23,637.95
(iv) Other Financial Liabilities	26	681.48	1,007.86
Other Current Liabilities	27	11,285.23	9,467.68
Provisions	28	519.90	174.05
Current Tax Liabilities (net)	29	0.26	49.20
		81,383.73	67,552.26
Total Equity and liabilities		2,01,110.97	1,79,229.15

Significant Accounting Policies and Other Notes to Consolidated Financial Statements 1 to 60.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani

Partner
M. No. 088926

Place: Noida
Date: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Amrisha Julka

Sr. GM - Legal and Company Secretary

Consolidated Statement of Profit and Loss

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Notes No.	For the year ended 31 March, 2023	For the year ended 31 March, 2022
I. Income			
Revenue from Operations	30	2,47,850.73	2,09,446.05
Other Income	31	1,454.27	1,341.92
Total Revenue (I)		2,49,305.00	2,10,787.97
II. Expenses			
Cost of Materials Consumed	32	63,763.52	48,778.39
Purchases of Stock-in-Trade		54,248.05	44,716.33
Change in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	33	(11,067.53)	(1,444.56)
Employee Benefits Expense	34	30,115.14	25,712.20
Finance Costs	35	4,035.99	2,963.92
Depreciation and Amortization Expenses	3 & 36	6,785.25	6,395.29
Other Expenses	37	91,921.15	71,030.15
Total Expenses (II)		2,39,801.57	1,98,151.72
III. Profit Before Exceptional Items and Tax (I-II)		9,503.43	12,636.25
IV. Exceptional Item	46	217.68	-
V. Profit before tax (III-IV)		9,285.75	12,636.25
VI. Tax Expense:			
1) Current Tax	22		
- Current year		3,207.18	3,206.69
- For earlier years		105.30	75.80
2) Deferred Tax Charge/(Credit)	22	(718.39)	12.13
VII. Profit for the year (V-VI)		6,691.66	9,341.63
VIII. Other Comprehensive Income (OCI)			
(1) Items that will not be reclassified to profit & loss		(76.01)	39.63
Income Tax relating to above	22	18.72	(10.81)
(2) Items that will be reclassified to profit & loss		-	-
IX. Total Comprehensive Income for the year (VII+VIII)		6,634.37	9,370.45
Profit for the year attributable to:			
Owners of the Company		7,149.16	8,868.71
Non controlling interests		(457.50)	472.92
Other Comprehensive Income attributable to:			
Owners of the Company		(66.67)	15.77
Non controlling interests		9.38	13.05
Total Comprehensive Income attributable to:			
Owners of the Company		7,082.49	8,884.48
Non controlling interests		(448.12)	485.97
Earnings Per Equity Share (Per Share Value of ₹ 2 each)	38		
Basic (In ₹)		16.83	20.88
Diluted (In ₹)		16.83	20.88

Significant Accounting Policies and Other Notes to Consolidated Financial Statements 1 to 60.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

Bimal Kumar Sipani

Partner
M. No. 088926

Place: Noida

Date: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Consolidated Statement of Change in Equity For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year [refer note no. 16b.]	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	4,24,74,208	849.48	4,24,74,208	849.48
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	4,24,74,208	849.48	4,24,74,208	849.48

(b) Other Equity (Refer note no. 56)

Particulars	Owner's Other Equity							Total	Non Controlling Interest	Total Other Equity
	Reserves and Surplus									
	Capital Redemption Reserve	Capital Reserve	Share options outstanding account	Security Premium	General Reserve	Total Retained earnings				
					Retained earnings	Remeasurement of defined benefit plans				
Balance at 31 March, 2021*	435.43	(4,377.32)	-	16,991.77	6,191.01	44,008.37	(23.96)	63,225.30	9,969.53	73,194.83
Profit for the year	-	-	-	-	-	8,868.71	-	8,868.71	472.92	9,341.63
Acquisition of Non Controlling Interest	-	-	-	-	-	(329.61)	-	(329.61)	(338.67)	(668.28)
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	645.00	645.00
Other Comprehensive Income for the year	-	-	-	-	-	-	15.77	15.77	13.05	28.82
Total Comprehensive Income for the year	-	-	-	-	-	8,539.10	15.77	8,554.87	792.30	9,347.17
Balance at 31 March, 2022*	435.43	(4,377.32)	-	16,991.77	6,191.01	52,547.47	(8.19)	71,780.17	10,761.83	82,542.00
Profit for the year	-	-	-	-	-	7,149.16	-	7,149.16	(457.50)	6,691.66
Recognition of Share based payments	-	-	259.15	-	-	-	-	259.15	-	259.15
Loss on issue of shares by subsidiary to Non Controlling Interest	-	-	-	-	-	(0.12)	-	(0.12)	0.12	-
Derecognition on divestment in a subsidiary	-	-	-	-	-	-	-	-	(557.15)	(557.15)
Transferred from OCI on divestment of Subsidiary	-	-	-	-	-	1.02	(1.02)	-	-	-
Shares Issued by Subsidiaries to Non Controlling interest shareholders	-	-	-	-	-	-	-	-	1,000.00	1,000.00
Other comprehensive income for the year	-	-	-	-	-	-	(66.67)	(66.67)	9.38	(57.29)
Total Comprehensive Income for the year	-	-	259.15	-	-	7,150.06	(67.69)	7,341.52	(5.15)	7,336.36
Dividend Paid	-	-	-	-	-	1,274.23	-	1,274.23	-	1,274.23
Balance at 31 March, 2023	435.43	(4,377.32)	259.15	16,991.77	6,191.01	58,423.30	(75.88)	77,847.46	10,756.68	88,604.13

*There are no changes in other equity due to prior period errors

Consolidated Statement of Change in Equity For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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.

Share options outstanding account: This Reserve relates to stock options granted by the Company to employees under Somany Employee Stock Option Scheme 2021 (ESOP). This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

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 ₹ (4,592.11) Lakhs and can be utilized in accordance with the provisions of Companies Act, 2013, b.) amalgamation Reserve of ₹ 191.27 Lakhs, c.) reserve of ₹ 22.90 Lakhs against maturity of special bearer bonds of RBI received and Bonus Shares issued by amalgamating Companies, d) others of ₹ 0.62 Lakhs.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Consolidated Statement of Cash Flows

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. Cash Flow From Operating Activities		
Profit before Tax as per Statement of Profit & Loss	9,285.76	12,636.25
I. Adjusted for:		
Depreciation and Amortization Expenses	6,785.25	6,395.29
Finance Costs	4,035.99	2,963.92
Interest Income	(738.26)	(575.58)
Loss on divestment in a subsidiary	217.68	-
(Profit)/Loss on Sales of Investment (Net)	(21.92)	(70.77)
Unrealized Foreign Exchange (Gain)/Loss (Net)	2.23	(6.26)
Net movement on Fair Value of current Investments	(89.25)	(285.90)
Provision for credit losses/ doubtful advances	482.20	140.58
Bad Debts	7.16	40.88
Deferred Income	(102.39)	(153.51)
Provision for Employee stock option plan	259.15	-
Sundry Balances Written Off	17.97	218.75
Sundry Balances Written Back	(88.07)	(243.53)
Provision no longer required written back	-	(59.62)
(Profit)/Loss on sale of Property, Plant and Equipment (net)	(255.73)	36.47
Property, Plant and Equipment Discard /Written Off	23.80	18.08
Operating Profit Before Working Capital Changes	19,821.57	21,055.05
II. Adjusted For :		
Trade and Other Receivables	(3,696.58)	(4,052.20)
Inventories	(12,638.34)	(2,818.53)
Trade and Other Payables	15,438.73	3,596.09
Cash Generated from Operation	18,925.38	17,780.41
Income Taxes Refund/ (Paid)	(2,471.18)	(3,524.76)
Net Cash Flow From Operating Activities (A)	16,454.20	14,255.65
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Intangible Assets	(17,653.25)	(27,087.50)
Sale of Property, Plant and Equipment	458.46	283.92
Consideration received from divestment in a Subsidiary	362.21	-
Purchase of Current Investments	(214.56)	-
Sale of Current Investments	3,143.55	3,333.87
Interest Received	792.46	756.45
Inter Corporate Deposits given	(460.10)	(300.00)
Inter-Corporate Deposits Received Back	420.00	1,545.00
Investment in Fixed Deposits	4,062.82	(4,062.82)
Net Cash Outflow From Investing Activities (B)	(9,088.41)	(25,531.08)

Consolidated Statement of Cash Flows

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
C. Cash Flow from Financing Activities		
Proceeds from Non Current Borrowings	6,431.83	8,417.26
Repayment of Non Current Borrowings	(4,822.00)	(6,329.89)
Proceeds/(Repayment) of Current Borrowings (net)	(247.48)	9,200.29
Proceeds from Short Term Loans	2,892.62	1,000.00
Repayment of Short Term Loans	(1,592.62)	(2,110.00)
Payment of Lease Liabilities	(674.63)	(640.59)
Acquisition of Non Controlling Interest in Subsidiary	-	(668.28)
Proceeds from issue of equity shares by subsidiaries to Non Controlling Interest shareholders	1,000.00	645.00
Interest Paid	(3,845.55)	(3,123.15)
Dividend Paid	(1,274.23)	-
Net Cash Inflow From Financing Activities (C)	(2,132.06)	6,390.64
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	5,233.73	(4,884.79)
Cash And Cash Equivalents		
At the beginning of the year	9,376.23	14,261.02
Less: Cash and Cash Equivalents on divestment in a subsidiary	(2.45)	-
	9,373.78	14,261.02
At the year end	14,607.52	9,376.23

Notes :

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".
- Cash and Cash Equivalents represents cash and bank balances (Refer note no. 10).
- Figures for the previous year have been regrouped/rearranged wherever considered necessary (Refer note no. 60).
- Additional Disclosure required under Ind AS 7 (Refer note no. 52).
- The accompanying Notes are an integral part of the Consolidated Financial Statements.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

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Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. GM - Legal and Company Secretary

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

1 REPORTING ENTITY

The Consolidated Financial Statements comprise financial statements of Somany Ceramics Limited ("the Company" or "Parent") and its subsidiaries (collectively, "the Group") for the year ended 31 March, 2023. The Company is a public company domiciled in India and having registered office at 2, Red Cross Place, Kolkata – 700001 India. Equity shares of the Company are listed in India on the BSE Limited and the National Stock Exchange Limited.

The Group has manufacturing plants in Kassar (Haryana), Velampadu (Andhra Pradesh), Chandigarh, Kadi and Morbi (Gujarat) India. The Group is a manufacturer and trader of a complete decor solutions and its extensive range of products include Ceramic Wall and Floor Tiles, Polished Vitrified Tiles, Glazed Vitrified Tiles, Sanitaryware, Bath Fittings and allied products.

The Consolidated Financial Statements of the Company for the year ended 31 March, 2023 were approved for issue by board of directors on 23 May, 2023. However, the shareholders have the power to amend the Consolidated Financial Statements after the issue.

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 Statement of compliance

The Consolidated Financial Statements of the Group comply with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when only if the Group:

- has power over the investee;
- is exposed or has rights to variable return from its involvement with the investee, and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements to control listed below. Loss of Control is determined when the Group:

- has no power over the investee;
- is not exposed to, or not has rights, to variable returns from its involvement with the investee; and
- not has the ability to use its power to affect its returns.

When loss of control over subsidiary is established, the parent shall derecognizes the assets (including goodwill), liabilities and non-controlling interests of the former subsidiary from the consolidated balance sheet at their carrying amounts at the date when control is lost. The parent shall recognize any resulting difference as a gain or loss in profit or loss attributable to the parent.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

List of entities considered in Consolidated Financial Statements are as disclosed in Note no. 58.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities 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.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealized profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying

economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit & Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.3 Basis of preparation and measurement

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except for the followings :

- Non-current borrowings are initially measured at amortized cost.
- Current investments are measured at fair value at each reporting date.
- Defined benefit plans and other long-term employee benefits are measured at fair value net off fair valuation of plan assets at each reporting date.
- Share based payments are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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 categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- **Level 2** inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian National Rupee (₹), which is the Group's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

2.5 Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated Financial Statements have been

given below:

- Assessing the lease term (including anticipated renewals) and the applicable discount rate.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated Financial Statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment, Intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors;
- Assessment of reliability of inputs considered for fair valuation of financial assets and liabilities falls under hierarchy Level 3;
- Assessment of appropriate inputs to the Black Scholes model for valuation of Share based payments including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.6 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the Consolidate balance sheet based on current/ non-current classification.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An liability is treated as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

The Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.7 Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready for intended use.

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

Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that there is a future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except for the following which has been determined on the basis of technical evaluation.

Particulars	Useful Life
Plant and Machinery	5 - 25 Years
Vehicles	5 Years
Dies & Punches	8 Years

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease period or estimated useful life of assets in line with schedule II of the Companies Act, 2013, which ever is lower.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognized impairment loss. ed at cost, less any recognized impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized where the asset is available for use and commissioning has been completed.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Profit & Loss.

2.8 Intangible assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1 April, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software and designing rights is considered as 5 years.

Amortization methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Consolidated Statement of Profit & Loss when the asset is derecognized.

2.9 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 in its present condition rather than through continuing use and it is expected that sale will be completed within one year from the date of classification.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess

of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years. A reversal of impairment loss is recognized immediately in the Statement of Profit & Loss.

2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortized on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

All other borrowing costs are recognized 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 recognized in the Consolidated Statement of Profit & Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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 recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund and Employees' pension Scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present

value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI and such remeasurement gain / loss are not reclassified to the Statement of Profit and Loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognized in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Consolidated Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

Share Based Payments

The Group recognizes compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, "Share-based Payment".

The Group initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note no. 47

2.14 Revenue Recognition

The Group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customers. Revenue towards satisfaction of a performance obligation is measured at transaction price allocated to that performance obligation. This is achieved when control of the products has been transferred to the customers, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customers and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the products. The Group considers shipping and handling activities as costs to fulfill the promise to transfer the related products and the recovery of shipping and handling costs from customers are included in transaction price.

Revenue (other than sale of goods) is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Transaction price represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

For incentives offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The

estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Interest income are recognized on an accrual basis using the effective interest method.

Dividends are recognized at the time the right to receive payment is established.

2.15 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of manufactured finished goods and work in progress is determined by taking cost of material consumed, labour and related overheads. Cost of raw materials and packing materials, stock in trade and stores & spares are computed on weighted average basis. Purchases cost of raw materials and packing materials, stock in trade and stores & spares are net of input tax credits, rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Provision for cost of obsolescence and other anticipated losses, wherever considered necessary, are recognized in the books of account.

2.16 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.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.18 Financial instruments

A FINANCIAL ASSETS

i) Initial recognition and measurement

Financial assets (except trade receivables) are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii) Classifications and Subsequent measurement

The Group classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

a) Financial Assets at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the Consolidated Statement of Profit & Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit & Loss.

b) Financial Assets at fair value through Other Comprehensive Income (FVOCI)

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

c) Financial Assets at fair value through Profit & Loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified at FVTPL.

In addition, the Group may elect to classify a financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

iii) Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value as FVOCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum

amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in Consolidated Statement of Profit & Loss.

v) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

B FINANCIAL LIABILITIES

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

ii) Classifications and Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

recognized in Consolidated Statement of Profit & Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit & Loss.

b) Financial liabilities at fair value through Profit & Loss

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at fair value through Profit & Loss.

Gains or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Consolidated Statement of Profit & Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Consolidated Statement of Profit & Loss.

iii) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognized in Consolidated Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

- a) Has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

2.20 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, wherein, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the

case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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For the year ended 31 March, 2023
(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 recognized and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are presented as a separate line in the Balance Sheet and details of assets are given ROU note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

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 Statement of Cash Flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 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 recognized at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

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") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Material accounting policies - The amendments mainly related to shifting of disclosure of erstwhile "significant accounting policies" in the notes to the financial statements to material accounting policy information requiring companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Group does not expect this amendment to have any significant impact in its financial statement.

Ind AS 8 – Definition of accounting estimates - The amendments specify definition of 'change in accounting estimate' replaced with

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(All amounts are in rupees lakhs, unless otherwise stated)

the definition of 'accounting estimates'. The Group does not expect this amendment to have any significant impact in its financial statement.

Ind AS 12 – Income taxes – Annual Improvements to Ind AS (2021)

- The amendment clarifies that in cases of transactions where equal amounts of assets and liabilities are recognized on initial recognition, the initial recognition exemption does not apply. Also, If a company

has not yet recognized deferred tax asset and deferred tax liability on right-of-use assets and lease liabilities or has recognized deferred tax asset or deferred tax liability on net basis, that company shall have to recognize deferred tax assets and deferred tax liabilities on gross basis based on the carrying amount of right-of-use assets and lease liabilities existing at the beginning of 1 April, 2022. The Group does not expect this amendment to have any significant impact in its financial statement.



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(All amounts are in rupees lakhs, unless otherwise stated)

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(i) Property, Plant and Equipment (2022-23)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Tangible Assets										
Freehold land	2,324.91	1,941.32	144.03	4,122.20	-	-	-	-	2,324.91	4,122.20
Buildings	18,389.94	7,507.50	557.69	25,339.75	3,587.75	863.72	71.52	4,379.95	14,802.19	20,959.80
Plant and equipments	63,687.00	22,536.36	2,309.53	83,913.83	13,803.65	3,808.66	613.41	16,998.90	49,883.35	66,914.93
Office equipments	1,933.41	398.60	119.64	2,212.37	1,386.36	277.07	107.08	1,556.35	547.05	656.02
Furniture and fixtures	4,454.80	510.70	1,555.21	3,410.29	3,013.41	354.58	1,529.05	1,838.94	1,441.39	1,571.35
Vehicles	3,572.55	961.75	560.88	3,973.42	1,553.49	580.88	409.24	1,725.13	2,019.06	2,248.29
Total	94,362.61	33,856.23	5,246.98	1,22,971.86	23,344.66	5,884.91	2,730.30	26,499.27	71,017.95	96,472.59

(ii) Capital Work in Progress (2022-23)

Capital work-in-progress as at 31 March, 2023 is ₹ 4,725.59 Lakhs.

₹ 10,690.37 Lakhs is addition to Capital works in progress during the year ended 31 March, 2023.

₹ 28,635.41 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2023.

(iii) Right of Use Assets (2022-23) (Refer note no. 53)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Right of use Assets										
Leasehold lands	343.97	-	-	343.97	16.30	4.09	-	20.39	327.67	323.58
Buildings	5,267.91	1,902.30	353.46	6,816.75	2,164.16	861.89	179.79	2,846.26	3,103.75	3,970.49
Total	5,611.88	1,902.30	353.46	7,160.72	2,180.46	865.98	179.79	2,866.65	3,431.42	4,294.07

(iv) Other Intangible Assets (2022-23)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2022	Additions	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	For the year	Deletions/ Adjustment	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023
Intangible Assets										
Computer Softwares	1,062.80	32.54	-	1,095.34	1,035.34	37.79	-	1,073.13	27.46	22.21
Total	1,062.80	32.54	-	1,095.34	1,035.34	37.79	-	1,073.13	27.46	22.21

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

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(i) Property, Plant and Equipment (2021-22)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Tangible Assets										
Freehold land	2,251.98	72.93	-	2,324.91	-	-	-	-	2,251.98	2,324.91
Building	17,786.61	603.33	-	18,389.94	2,884.75	703.00	-	3,587.75	14,901.86	14,802.19
Plant and equipment	60,625.75	3,603.76	542.51	63,687.00	10,903.73	3,163.34	263.42	13,803.65	49,722.02	49,883.35
Office equipments	1,734.08	222.32	22.99	1,933.41	1,161.57	243.05	18.26	1,386.36	572.51	547.05
Furniture and fixtures	4,323.21	158.91	27.32	4,454.80	2,241.31	794.75	22.65	3,013.41	2,081.90	1,441.39
Vehicles	2,960.73	899.26	287.44	3,572.55	1,253.42	511.64	211.57	1,553.49	1,707.31	2,019.06
Total	89,682.36	5,560.51	880.26	94,362.61	18,444.78	5,415.78	515.90	23,344.66	71,237.58	71,017.95

(ii) Capital Work in Progress (2021-22)

Capital work-in-progress as at 31 March, 2022 is ₹ 22,670.63 Lakhs.

₹ 25,676.25 Lakhs is addition to Capital works in progress during the year ended 31 March, 2022.

₹ 3,868.32 Lakhs has been capitalized and transferred to property, plant and equipment during the year ended 31 March, 2022.

(iii) Right of Use Assets (2021-22) (Refer note no. 53)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Right of use Assets										
Leasehold lands	343.97	-	-	343.97	12.21	4.09	-	16.30	331.76	327.67
Buildings	4,875.77	559.76	167.62	5,267.91	1,515.21	786.27	137.33	2,164.16	3,360.56	3,103.75
Total	5,219.74	559.76	167.62	5,611.88	1,527.42	790.36	137.33	2,180.46	3,692.32	3,431.42

(iv) Other Intangible Assets (2021-22)

Particulars	Gross Block				Amortization				Net Block	
	As at 31 March, 2021	Additions	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	For the year	Deletions/ Adjustment	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022
Intangible Assets										
Softwares	1,079.52	3.00	19.72	1,062.80	855.74	193.68	14.08	1,035.34	223.78	27.46
Total	1,079.52	3.00	19.72	1,062.80	855.74	193.68	14.08	1,035.34	223.78	27.46

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
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Note:

1. Assets pledged and Hypothecated against borrowings: Please Refer note no. 18 & 24.

Title deeds of Immovable Properties not held in name of the Company and its subsidiary:						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company and its subsidiary
Property, Plant and Equipment*	Land	9.53	Erstwhile Schablona India Limited (Amalgamating Company)	No	1 April, 2019 i.e. the appointed date as per Scheme of Amalgamation approved by Hon'ble National Company Law Tribunal. (Refer Note no. 56 B)	Refer Note no.56 B
Property, Plant and Equipment*	Building	155.59		No		
Property, Plant and Equipment#	Land	1.00	Mr. Alam Hari Krishna and Ms. Alam Pademavathamma	No	11 July, 2022	The subsidiary company is in the process of registering the land in its name.

* w.r.t the Company as at 31 March, 2023 and 31 March, 2022

w.r.t subsidiary company as at 31 March, 2023

4 LOANS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposits (ICD)		
- With Others	260.10	-
	260.10	-

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

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5 OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Bank Deposit (Pledged with Government Departments)	0.60	0.60
Bank Deposits held as Margin Money	419.54	603.46
Security Deposits	1,365.42	941.80
	1,785.56	1,545.86

6 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital Advance*	1,948.56	723.64
Prepaid Expenses	27.21	11.34
Deposits with Government Departments (under Protest)	70.17	65.50
	2,045.94	800.48

*Capital Advance includes ₹ 376.50 Lakhs (Previous Year - ₹ 290 Lakhs), represents payment made to a party for purchase of parcel of land in Rajasthan who had offered different parcels of land to the subsidiary Company. The management is in the process of assessing/ scrutinising the location, title deeds, etc considering its plan for setting up manufacturing unit and had also asked the party for alternative parcels of land. Management is confident of completing the process of acquisition in near future, hence considered the same good.

7 INVENTORIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Valued at Lower of Cost and Net Realizable Value)		
Raw Materials & Packing Materials	5,212.99	4,856.47
Work -in-Progress	2,283.05	1,893.70
Finished Goods	21,958.79	12,692.45
Stock in Trade	5,751.12	4,316.70
Stores and Spares	3,942.00	3,607.70
	39,147.95	27,367.02

- Inventories are hypothecated to secured borrowings. Refer note no. 18 & 24.
- During the year ₹ 56.38 Lakhs (previous year ₹ 25.96 Lakhs) has been charged to Statement of Profit and Loss on account of write down of inventories.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
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8 CURRENT INVESTMENTS

Particulars	As at 31 March, 2023		As at 31 March, 2022	
A Investments in Non Convertible Debentures (Quoted) (valued at fair value through profit & loss)				
a) 400 Units (Previous Year - 400 Units) 9.70% U P Power Corporation Limited 4 July, 2031 Bonds (NCD)		340.00		380.00
b) 103 Units (Previous Year - 103 Units) 9.00% Shriram Transport Finance Co. Limited 28 March, 2028 (NCD)		1,004.25		1,004.25
c) 83 Units (Previous Year - 83 Units) 9.00% SREI Infrastructure Finance Limited 2027 (NCD)	792.65		792.65	
Less:- Provision for Impairment#	792.65	-	792.65	-
d) 1,05,500 Units (Previous Year - 1,05,500 Units) 9.60% SREI Infrastructure Finance Limited 25 May, 2028 (NCD)	1,052.08		1,052.08	
Less:- Provision for Impairment#	1,052.08	-	1,052.08	-
B) Investments in Mutual Fund (Un-Quoted) (valued at fair value through profit & loss)				
a) 6,21,563.581 Units (Previous Year - Nil) SBI Corporate Bond Fund - Regular Plan Growth		81.20		-
b) 3,28,359.77 Units (Previous Year - Nil) SBI Magnum Medium Duration Fund- Regular Growth		141.11		-
c) Nil (Previous year - 2,87,251.767) SBI Credit Risk Fund - Regular Growth		-		103.86
d) 1,23,47,217.261 Units (Previous Year - 3,63,70,087.033 Units) HDFC Ultra Short Term Fund- Direct Growth		1,618.21		4,514.55
C) Investments in Equity Instruments (Quoted) (valued at fair value through Profit & Loss - fully Paid)				
a) 550 Equity Shares (Previous Year - 550 Equity Shares) of ₹ 2/- each of Punjab National Bank Limited		0.26		0.19
		3,185.03		6,002.85
Aggregate cost of Quoted Investment		3,207.22		3,247.22
Aggregate Market Value of Quoted Investments		1,344.51		1,384.44
Aggregate cost of Un-Quoted Investment		1,637.27		4,332.87
Aggregate amount of impairment in value of Quoted Investments		1,844.73		1,844.73

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

9 TRADE RECEIVABLES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured		
Considered Good	26,170.72	22,469.82
Have Significant increase in Credit Risk	2,143.72	2,531.30
Considered Doubtful - Credit Impaired	774.78	613.91
	29,089.22	25,615.03
Less: Allowances for losses	2,257.84	1,931.39
	26,831.38	23,683.64

- Trade Receivables are hypothecated to secured borrowings. Refer note no. 18 & 24.
- Refer note no. 50 (A) - Trade Receivables ageing.

10 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance with Banks		
- In Current Accounts	1,490.40	1,450.85
Draft / Cheque on hand	0.01	-
Cash on Hand	49.25	72.78
Bank Deposits with original maturity of 3 months or less	13,067.86	7,852.60
	14,607.52	9,376.23

11 OTHER BANK BALANCES

Particulars	As at 31 March, 2023		As at 31 March, 2022	
Bank Deposit (Pledged with Government Departments)	1.55		84.72	
Less:- Shown Under "Other Financial Assets"(More than 12 months)	0.45	1.10	83.92	0.80
Bank Deposit held as Margin Money	1,017.35		1,719.48	
Less:- Shown Under "Other Financial Assets"(More than 12 months)	419.54	597.81	519.98	1,199.50
Fixed Deposits with Banks		213.08		4,246.19
Earmarked Balances with Banks				
Unclaimed Dividend Accounts		34.67		38.00
		846.66		5,484.49

12 LOANS

Particulars	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, Considered Good Unless Stated Otherwise)		
Inter Corporate Deposit		
- to Others	80.00	300.00
	80.00	300.00

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

13 OTHER FINANCIAL ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Accrued Interest	80.39	147.52
Deposit with others	30.77	109.58
Security Deposits with Government Department	0.60	0.60
Insurance claims receivable and others	15.03	359.75
	126.79	617.45

14 CURRENT TAX ASSETS (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance Income Tax / Tax Deducted at Source [Net of Income Tax Provision of ₹ 7,226.45 Lakhs, (Previous year ₹ 18,024.45 Lakhs)]	1,097.05	1,967.42
	1,097.05	1,967.42

15 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid Expenses	344.37	321.34
Export Incentives Receivable	138.76	216.81
Properties held in Trust (Refer note no. 57)	657.75	657.75
Vendor Advances*	1,555.63	1,026.23
Other Receivables*§	381.00	363.80
Indirect Tax Recoverable/adjustable	1,023.41	1,262.02
	4,100.92	3,847.95
*Less: Provision for Doubtful	82.82	44.84
	4,018.10	3,803.11

§ Includes advance to staff and workers against salary and expenses etc.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

16 EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized		
Equity Shares 16,15,00,000 (Previous Year - 16,15,00,000) of ₹ 2/-each*	3,230.00	3,230.00
Issued, Subscribed and Paid up		
Equity Shares 4,24,74,208 (Previous Year - 4,24,74,208) of ₹ 2/- each fully paid up*	849.48	849.48
	849.48	849.48

a. Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2/- each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

	Number of Shares		Amount	
	Issued	To be issued*	Issued	To be issued*
Outstanding as on 1 April, 2021	4,23,79,426	94,782	847.59	1.89
Equity Shares issued/ bought back during the year	94,782	(94,782)	1.89	(1.89)
Outstanding as on March 31, 2022	4,24,74,208	-	849.48	-
Equity Shares issued/ bought back during the year	-	-	-	-
Outstanding as on March 31, 2023	4,24,74,208	-	849.48	-

c. Shareholdings of Promoters at the end of March 31, 2023

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	-
vii)	Ms. Aanvi Somany	3,00,000	0.71%	-
viii)	Ms. Anushree Chopra	2,01,407	0.47%	-
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	-
x)	Mr. Shreekant Somany	1,19,538	0.28%	-
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	-

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

16 EQUITY SHARE CAPITAL (CONTD.)

Shareholdings of Promoters at the end of March 31, 2022

S. No.	Promoter Name	Numbers of Shares	% of total Shares	% Change during the year
i)	Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	23.73%	-
ii)	Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	10.21%	-
iii)	Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	10.21%	-
iv)	Abhishek Somany (HUF)	19,14,093	4.51%	-
v)	Ms. Anjana Somany	10,84,468	2.55%	-
vi)	Ms. Minal Somany	6,90,108	1.62%	(35.51)%
vii)	Ms. Aanvi Somany	3,00,000	0.71%	100.00%
viii)	Ms. Anushree Chopra	2,01,407	0.47%	65.89%
ix)	Mr. Shrivatsa Somany	1,19,538	0.28%	19.54%
x)	Mr. Shreekant Somany	1,19,538	0.28%	19.54%
xi)	Mr. Ameya Somany	65,000	0.15%	-
xii)	Mr. Abhishek Somany	19,538	0.05%	100.00%

d. List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	As at 31 March, 2023	As at 31 March, 2022
i) Mr. Abhishek Somany - in capacity of Trustee of Shakthi Family Trust	1,00,80,055	1,00,80,055
ii) Mr. Shrivatsa Somany - in capacity of Trustee of Sanrakshith Family Trust	43,37,872	43,37,872
iii) Mr. Shreekant Somany - in capacity of Trustee of Srijan Family Trust	43,37,872	43,37,872
iv) Kotak Small CAP Fund	29,02,449	26,51,985
	2,16,58,248	2,14,07,784

e. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	As at 31 March, 2023	As at 31 March, 2022
Equity shares issued pursuant to Scheme of Amalgamation (in 2021-22)*	94,782	94,782
Equity shares issued pursuant to Scheme of Amalgamation (in 2019-20)*	1,90,87,200	1,90,87,200

* Refer note no. 56

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

17 OTHER EQUITY (Refer note no. 56)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Share options outstanding account		
Balance at the beginning of the year	-	-
Employee stock option expenses	259.15	-
Closing balance	259.15	-
Capital Reserve		
Balance at the beginning of the year	(4,377.32)	(4,377.32)
Addition/ (Transfer) during the year	-	-
Closing balance	(4,377.32)	(4,377.32)
Capital Redemption Reserve		
Balance at the beginning of the year	435.43	435.43
Addition/ (Transfer) during the year	-	-
Closing balance	435.43	435.43
Security Premium		
Balance at the beginning of the year	16,991.77	16,991.77
Addition/ (Transfer) during the year	-	-
Closing balance	16,991.77	16,991.77
General Reserve		
Balance at the beginning of the year	6,191.01	6,191.01
Addition/ (Transfer) during the year	-	-
Closing balance	6,191.01	6,191.01
Retained earnings		
Balance at the beginning of the year	52,547.47	44,008.37
Profit for the year	7,149.16	8,868.71
Loss on issue of shares by subsidiary to Non Controlling Interest	(0.12)	-
Transferred from OCI on divestment of Subsidiary	1.02	-
Acquisition of Non Controlling Interest	-	(329.61)
Amount available for appropriation	59,697.53	52,547.47
Less: Dividend Distributed	1,274.23	-
Closing Balance	58,423.30	52,547.47
Remeasurement of defined benefit plans		
Balance at the beginning of the year	(8.19)	(23.96)
Other comprehensive income for the year	(66.67)	15.77
Transferred to Retained earning on divestment of Subsidiary	(1.02)	-
Closing Balance	(75.88)	(8.19)
Total Retained Earnings	58,347.42	52,539.28
Total Other Equity	77,847.46	71,780.17

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

18 BORROWINGS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured		
Rupee Term Loan		
- from Banks	18,584.61	18,125.85
Car Loan		
- from Banks	1,199.18	1,085.63
Unsecured		
- from Others	2,965.80	3,091.33
	22,749.59	22,302.81
Less: Current Maturities of Non Current Borrowings		
Rupee Term loan		
- from Banks	3,887.77	4,475.29
Car Loan		
- from Banks	350.80	366.35
	4,238.57	4,841.64
	18,511.02	17,461.17

Notes

- Rupee term loan of ₹ 1120.39 Lakhs (Previous Year ₹ 3,212.18 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 of ₹ 1,120.39 Lakhs due in 2023-24.
- Rupee term Loan of ₹ 414.88 Lakhs (Previous Year Nil Lakhs) from a Bank is secured by way of hypothecation of all present and future current assets and moveable fixed asset, and equitable mortgage over factory land & building of the Company. The said loan is further collaterally secured by way of equitable mortgage over factory land & building and plant & machinery located at ghuntu Morbi and also personal guarantees of promoter directors. The said loan is tentatively repayable in 2023-24 ₹34.33 Lakhs, 2024-25 ₹137.33 Lakhs, 2025-26 ₹137.33 Lakhs and 2026-27 ₹105.89 Lakhs.
- Rupee term Loan of Nil Lakhs (Previous Year ₹ 702.16 Lakhs) of subsidiary company from a Bank is secured by way of hypothecation of entire plant & machinery and other fixed assets of the subsidiary company (present and future) and equitable mortgage over factory land & building of the subsidiary company. The said loan is further collaterally secured by extension of hypothecation of entire current assets of the subsidiary company (both current and future), equitable mortgage over factory land & building of the subsidiary company, properties owned by the promoters and their families of the subsidiary company and also personal guarantees of promoters of the subsidiary company.
- Rupee term Loan of ₹ 937.37 Lakhs as on 31 March, 2023 (₹ Nil Lakhs as on 31 March 2022) from a Bank is secured by way of hypothecation of entire plant & machinery and all fixed assets of the company (present and future). The said loan is repayable in 2023-24 ₹132 Lakhs, 2024-25 ₹132 Lakhs, 2025-26 ₹132 Lakhs, 2026-27 ₹132 Lakhs, 2027-28 ₹132 Lakhs, 2028-29 ₹132 Lakhs, 2029-30 ₹132 Lakhs and 2030-31 ₹13.37 Lakhs.
- Rupee GECL Loan of ₹ 237.85 Lakhs as on 31 March, 2023 (₹ Nil Lakhs as on 31 March 2022) from a Bank is secured by way of hypothecation of entire plant & machinery and all fixed assets of the Company (present and future). The said loan is repayable in 2023-24 ₹ Nil, 2024-25 ₹39 Lakhs, 2025-26 ₹78 Lakhs, 2026-27 ₹78 Lakhs, 2027-28 ₹ 42.85 Lakhs.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

18 BORROWINGS (CONTD.)

- f Rupee term loan of ₹ 77.84 Lakhs (Previous year ₹ 152.30 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 of the subsidiary company. The aforesaid loan is repayable in the 2023-24 ₹ 64.80 Lakhs and 2024-25 of ₹ 13.04 Lakhs.
- g Rupee term Loan of ₹ Nil Lakhs (Previous year ₹ 104.17 Lakhs) of subsidiary company from a Bank is secured by exclusive charge on movable and immovable fixed assets and current assets of the subsidiary company both present and future and also personal guarantee of promoters of the subsidiary company. The said loan is fully repaid during the year.
- h Rupee term Loan of ₹ 125.83 Lakhs (Previous year ₹ 240.84 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 subsidiary Company, excluding assets exclusively charged to other Banks and second pari passu on all current assets of the subsidiary company both present and future. The aforesaid loan is repayable in the 2023-24 ₹ 116.22 Lakhs and 2024-25 ₹ 9.61 Lakhs.
- i Rupee term Loan of ₹ 900.00 Lakhs (Previous year ₹ 1,200.00 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is 2023-24 ₹ 300.00 Lakhs, 2024-25 ₹ 300.00 Lakhs and 2025-26 ₹ 300.00 Lakhs.
- j Rupee term Loan of ₹ 105.04 Lakhs (Previous year ₹ 135.04 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is 2023-24 ₹ 30.00 Lakhs, 2024-25 ₹ 30.00 Lakhs 2025-26 ₹ 30.00 Lakhs and 2026-27 ₹ 15.04 Lakhs.
- k Rupee term Loan of Nil Lakhs (Previous year ₹ 53.13 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. The said loan is fully repaid during the year.
- l Rupee term Loan of ₹ 228.89 Lakhs (Previous year ₹ 379.23 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is 2023-24 ₹ 171.67 Lakhs , 2024-25 ₹ 57.22 Lakhs.
- m Rupee term Loan of ₹ 362.85 Lakhs (Previous year 423.00 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. Repayment of aforesaid loan is 2023-24 ₹ 157.89 Lakhs , 2024-25 ₹ 157.89 Lakhs and in 2025-16 ₹ 47.07 Lakhs.
- n Rupee term Loan of Nil Lakhs (Previous year ₹ 1.32 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 of the subsidiary company. It is further secured by equitable mortgage of Open Industrial land Located at village : Bhadiyad. The said loan is fully repaid during the year.
- o Rupee term Loan of ₹ 3,800 Lakhs (Previous Year ₹ Nil Lakhs) from a Bank is secured by first pari passu charge by way of hypothecation of all movable and immovable fixed assets including current assets, both present and future, of the subsidiary Company at Morbi excluding assets those exclusively charged to other Banks. Repayment of aforesaid loan is ₹ 133 Lakhs, ₹ 361 Lakhs, ₹ 532 Lakhs, ₹ 836 Lakhs, ₹ 950 Lakhs and ₹ 988 Lakhs in 2024-25, 2025-26, 2026-27, 2027-28, 2028-29 and 2029-30 respectively.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

18 BORROWINGS (CONTD.)

- p Rupee term Loan of ₹ 1,592.50 Lakhs (Previous year ₹ 1,960.00 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 367.50 Lakhs, ₹367.50 Lakhs, ₹ 428.75 Lakhs and ₹ 428.75 Lakhs in 2023-24, 2024-25, 2025-26 and 2026-27 respectively.
- q Rupee term Loan of ₹ 650.00 Lakhs (Previous year ₹ 800.00 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 150.00 Lakhs, ₹ 150.00 Lakhs, ₹ 175.00 Lakhs and ₹ 175.00 Lakhs in 2023-24, 2024-25, 2025-26 and 2026-27 respectively.
- r Rupee term Loan of ₹ 238.63 Lakhs (Previous year ₹ 293.69 Lakhs) of subsidiary company from a Bank is secured through exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 55.07 Lakhs, ₹ 55.07 Lakhs, ₹ 64.24 Lakhs and ₹ 64.24 Lakhs 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28 respectively.
- s Rupee term Loan of ₹ 1879.78 Lakhs (31 March, 2022 ₹ 2313.58 Lakhs) from ICICI Bank is secured by exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹433.80 Lakhs, ₹433.80 Lakhs, 506.09 Lakhs and ₹506.09 Lakhs in 2023-24, 2024-25, 2025-26 and 2026-27 respectively.
- t Rupee term Loan of ₹ 2500.00 Lakhs (31 March, 2022 ₹ 2500.00 Lakhs) from ICICI Bank is secured by exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 218.75 Lakhs, ₹ 375.00 Lakhs, ₹ 406.25 Lakhs , ₹ 500 Lakhs, ₹531.25 Lakhs and ₹468.75 Lakhs in 2023-24, 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 respectively.
- u Rupee term Loan of ₹ 725.00 Lakhs (31 March, 2022 ₹ 725 Lakhs) from ICICI Bank is secured by exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 99.00 Lakhs, ₹ 132.00 Lakhs, ₹132.00 Lakhs, ₹ 132.00 Lakhs, ₹ 132.00 Lakhs and ₹98.00 Lakhs in 2023-24, 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 respectively.
- v Rupee term Loan of ₹ 2598.80 Lakhs (31 March, 2022 ₹ 2765 Lakhs) from Axis Bank is secured by exclusive charge over the entire movable and immovable fixed assets of the subsidiary company both present and future and exclusive charge over entire current assets of the subsidiary company both present and future. Repayment of aforesaid loan is ₹ 360.10 Lakhs, ₹ 424.92 Lakhs, ₹ 462.03 Lakhs, ₹462.04, ₹563.42 Lakhs and ₹ 326.29 Lakhs in in 2023-24, 2024-25, 2025-26, 2026-27, 2027-28 and 2028-29 respectively.
- w Rupee term Loan of ₹ 88.96 Lakhs (Previous Year ₹ 165.21 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 subsidiary company both present and future . The aforesaid loan is repayable in equal Monthly instalments of ₹ 6.35 Lakhs.
- x 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 subsidiary companies & their banks and unsecured loans carries interest rate in the range of 9.00% to 12.00%.
- y 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.
- z Rate of interests are variable and linked with Some Benchmark rate such as Repo, EBLR, MCLR etc. ranging between between 8.50% to 11.34% and few car loans which are at fixed interest rate ranging between 8% to 9% .

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

19 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade Deposits	3,049.60	2,781.26
Security Deposits	17.50	17.50
	3,067.10	2,798.76

20 PROVISIONS (NON CURRENT)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Employees Benefits	1,044.99	871.86
	1,044.99	871.86

21 DEFERRED INCOME

Particulars	As at 31 March, 2023	As at 31 March, 2022
Grants related to Property, Plant and equipment	-	102.39
	-	102.39

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.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

22 DEFERRED TAX

A. Deferred tax Assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax Assets	3,231.10	1,530.74
Less: Deferred tax Liabilities	2,394.64	1,125.57
	836.46	405.17

Movement in deferred tax balances

Particulars	As at 31 March, 2022	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2023
			Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets							
Accrued expenses	7.43	-	0.01	4.39	5.06	(2.48)	14.41
MAT Credit Entitlement	64.67	-	-	-	13.67	-	78.34
Property, plant and equipment & Intangible assets	-	-	-	-	-	-	-
Carry forward business losses including unabsorbed depreciation	1,622.06	-	-	-	1,515.36	-	3,137.42
Others	(163.42)	-	(1.69)	164.23	1.81	-	0.93
Sub- Total (a)	1,530.74	-	(1.68)	168.62	1,535.90	(2.48)	3,231.10
Deferred Tax Liabilities							
Property, plant and equipment & Intangible assets	1,125.57	-	(0.90)	279.09	990.88	-	2,394.64
Sub- Total (b)	1,125.57	-	(0.90)	279.09	990.88	-	2,394.64
Net Deferred Tax Assets (a)-(b)	405.17	-	(0.78)	(110.47)	545.02	(2.48)	836.46

Particulars	As at 31 March, 2021	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2022
			Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets							
Accrued expenses	4.87	-	-	-	3.10	(0.54)	7.43
MAT Credit Entitlement	10.69	-	-	-	53.98	-	64.67
Carry forward business losses including unabsorbed depreciation	1,627.94	-	-	-	(5.88)	-	1,622.06
Others	(97.01)	-	-	-	(66.41)	-	(163.42)
Sub- Total (a)	1,546.49	-	-	-	(15.21)	(0.54)	1,530.74
Deferred Tax Liabilities							
Property, plant and equipment & Intangible assets	1,043.54	-	-	-	82.03	-	1,125.57
Sub- Total (b)	1,043.54	-	-	-	82.03	-	1,125.57
Net Deferred Tax Assets (a)-(b)	502.95	-	-	-	(97.24)	(0.54)	405.17

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

22 DEFERRED TAX (CONTD.)

B. Deferred tax Liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred tax Liabilities	5,781.79	5,903.53
Less: Deferred tax assets	2,512.69	2,268.82
	3,269.10	3,634.71

Particulars	As at 31 March, 2022	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2023
			Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets							
Accrued expenses	1,222.46	(0.80)	-	(4.39)	218.19	(4.27)	1,431.19
MAT Credit Entitlement	273.99	-	-	-	(13.25)	-	260.74
Carry forward business losses including unabsorbed depreciation	390.82	-	-	-	275.08	-	665.90
Others	381.55	(99.95)	-	(164.23)	37.49	-	154.86
Sub- Total (a)	2,268.82	(100.75)	-	(168.62)	517.51	(4.27)	2,512.69
Deferred Tax Liabilities							
Property, plant and equipment & Intangible assets	5,896.27	(186.01)	-	(279.09)	348.72	-	5,779.89
Others	7.26	-	-	-	(5.36)	-	1.90
Sub- Total (b)	5,903.53	(186.01)	-	(279.09)	343.36	-	5,781.79
Net Deferred Tax Liability (b)-(a)	3,634.71	(85.26)	-	(110.47)	(174.15)	4.27	3,269.10

Particulars	As at 31 March, 2021	Derecognition due to loss of control	Recognized in P&L			Recognized in OCI	As at 31 March, 2022
			Reversal due to change in tax rate	Others	At current tax rate		
Deferred Tax Assets							
Accrued expenses	1,230.17	-	-	-	1.61	(9.32)	1,222.46
MAT Credit Entitlement	280.03	-	-	-	(6.04)	-	273.99
Carry forward business losses including unabsorbed depreciation	333.57	-	-	-	57.25	-	390.82
Others	236.98	-	-	-	144.57	-	381.55
Sub- Total (a)	2,080.75	-	-	-	197.39	(9.32)	2,268.82
Deferred Tax Liabilities							
Property, plant and equipment & Intangible assets	5,785.37	-	-	-	110.90	-	5,896.27
Others	5.88	-	-	-	1.38	-	7.26
Sub- Total (b)	5,791.25	-	-	-	112.28	-	5,903.53
Net Deferred Tax Liability (b)-(a)	3,710.50	-	-	-	(85.11)	9.32	3,634.71

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

22 DEFERRED TAX (CONTD.)

The Group has recognized deferred tax assets on unabsorbed depreciations, carried forward tax losses and MAT Credit Entitlement. The Group has MAT Credit Entitlement, unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier financial years. The Group has concluded that deferred tax assets on MAT Credit Entitlement, unabsorbed depreciations and carried forward tax losses will be recoverable using estimated future taxable income based on approved business plans and budgets. The Group is expected to generate taxable income in near future. MAT Credit Entitlement, unabsorbed depreciation and tax losses can be carried forward as per local tax regulations and the Group expects to recover the same in due course.

C. Amounts recognized in Statement of profit and loss

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	3,207.18	3,206.69
Income tax for earlier year	105.30	75.80
	3,312.48	3,282.49
Deferred Tax (Charge)/Credit		
Origination and reversal of temporary differences	(718.39)	12.13
	(718.39)	12.13
Total Tax Expense	2,594.09	3,294.62

D. Amounts recognized in Other Comprehensive Income

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax expense		
Current year	25.47	(0.95)
	25.47	(0.95)
Deferred Tax (Charge)/Credit		
Remeasurements of defined benefit liability	(6.75)	(9.86)
	(6.75)	(9.86)
Total	18.72	(10.81)

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

22 DEFERRED TAX (CONTD.)

E. Reconciliation of Income Tax expense

	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
	Rate	Amount	Rate	Amount
Accounting Profit before tax		9,285.75		12,636.25
Tax using the Company's domestic tax rate	25.17%	2,337.04	25.17%	3,180.29
Tax effect of:				
Non-deductible expenses		62.56		19.29
Lower tax rate on (gain)/loss on sale of investment		(0.04)		(3.67)
Changes in estimates related to prior years		92.28		75.80
Previously unrecognized deferred tax now recognized		-		0.19
Impact of opening deferred tax assets/liabilities due to change in tax rate		0.80		-
Effect of Tax paid at Higher Rate		50.82		19.99
Others		50.63		2.73
At the Effective Income Tax Rate		2,594.09		3,294.62

Note:

The Holding company and four (4) subsidiary companies had exercised the option permitted under section 115BAA of the Income Tax Act, 1961 in earlier years.

Two (2) subsidiary companies had exercised the option permitted under section 115BAB of the Income Tax Act, 1961 in the earlier years.

Eight (8) Subsidiary companies have not exercised these options and continue to recognize the taxes on income for year ended 31 March, 2023 as per the normal tax rate at which management expect to recover or settle the deferred tax at this reporting date. Further these subsidiary companies are having unabsorbed depreciation and unutilised MAT Credit and Business Losses accumulation as on the reporting date. As per the projections, the management of subsidiary companies expects to utilize the MAT Credit and Business losses within the prescribed period and will review the above position at each year end.

23 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Security Deposits	758.05	644.97
Less: Current Maturities	155.08	170.66
	602.97	474.31

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

24 BORROWINGS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured Loans:		
Working Capital Facilities from Banks*		
Working Capital Demand Loans	1,300.00	271.73
Cash Credit	9,416.42	7,859.69
Current Maturities of Long term Borrowings (Refer note no. 18)	4,238.57	4,841.64
Unsecured Loans:		
- Discounting of Bills Payable	15,370.84	17,220.79
	30,325.83	30,193.85

*Working Capital Facilities from Banks are secured by:

- First charge by way of hypothecation of stocks of raw materials, finished goods and stock in process, stores & spares and book debts and ranking pari-passu; and
- Second and subservient charge by way of (i) Equitable Mortgage (EM) on all properties, both present and future, and (ii) hypothecation of current assets, all movable fixed assets ranking pari-passu, excluding assets exclusively charged. EM over certain land pieces is yet to be created. (iii) in case of few subsidiaries also guaranteed by their directors.
- Rate of interests are variable and linked with Some Benchmark rate such as Repo, EBLR, MCLR etc. ranging between 7.15% to 11.34%.

25 TRADE PAYABLES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Outstanding dues of Micro Enterprises and Small Enterprises	4,273.24	2,377.37
Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises\$	33,490.44	23,637.95
	37,763.68	26,015.32

- For details of payables to related parties, Refer note no. 43, Related Party Transactions.
- Refer note no. 50 (B) - Trade Payables ageing.
- \$ Includes liability towards paying agent arrangement of ₹ 5,913.89 Lakhs (Previous year ₹ 3,467.62 Lakhs).

26 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest Accrued	214.89	34.86
Capital Creditors*	306.99	795.03
Unclaimed Dividends	34.67	38.00
Others#	124.93	139.97
	681.48	1,007.86

*Includes Outstanding dues of Micro Enterprises and Small Enterprises of ₹ 59.43 Lakhs (Previous year ₹ 87.90 Lakhs)

#Includes security deposits received, commission payables etc.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

27 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory Dues	3,012.40	2,177.13
Security Deposits - current maturities of Other Non Current Liabilities	158.93	174.51
Advance from Customers	1,029.49	1,161.97
Sales Incentive	3,271.94	1,921.46
Liability under Defalcation Suit (Refer note no. 57)	665.78	669.64
Accruals related to employees and others#	3,146.69	3,362.97
	11,285.23	9,467.68

For detail of payables to related parties, Refer note no. 43, Related Party Transactions.

28 PROVISIONS (CURRENT)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Employee Benefits	519.90	174.05
	519.90	174.05

29 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Income Tax [Net of Advance income tax of ₹ 22.40 Lakhs, (Pervious year ₹ 15.68 Lakhs)]	0.26	49.20
	0.26	49.20

30 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Sales of Goods	2,46,511.72	2,08,273.75
Less: Capitalized/ Transferred to CWIP	47.51	-
	2,46,464.21	2,08,273.75
Other Operating Revenue		
Export incentives	109.00	151.43
Scrap Sales	352.16	333.26
Sundry Balance Written Back	88.07	243.53
Insurance Claim Received and Other Misc Income	811.87	436.64
Income From Services	32.84	15.75
	1,393.94	1,180.61
Less: Capitalized/ Transferred to CWIP	7.42	8.31
	1,386.52	1,172.30
	2,47,850.73	2,09,446.05

a) Unsatisfied performance obligation (contract liabilities) Refer note no. 27.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

30 REVENUE FROM OPERATIONS (CONTD.)

b) Reconciliation of contract price vis a vis revenue recognized in the statement of profit and loss is as follows:

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Contract Price				
(i) Sales of goods				
Tiles	2,26,700.09		1,92,217.19	
Others	29,086.78	2,55,786.87	23,253.40	2,15,470.59
(ii) Sales of services		32.84		15.75
(ii) other operating revenue		1,361.10		1,164.86
Adjustments:				
Discount/rebate/ Sales incentives		(9,330.08)		(7,205.15)
Revenue recognized in statement of profit and loss		2,47,850.73		2,09,446.05

c) The above revenues have been recognized at point of time.

d) Payment terms with customers generally ranges between 0 to 60 days from the completion of performance obligation. Considering the same, the Company elects to use practical expedient as given in IND AS 115 "Revenue from contracts with customers", hence there are no significant financing component in any transaction with the customers.

e) Sale of the products and services within India ₹ 2,37,089.23 (Previous Year ₹1,97,549.23) and outside India ₹9,374.98(Previous Year ₹ 10,724.52) and are mainly through intermediaries.

f) For contract assets and balances refer note no. 9.

31 OTHER INCOME

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Interest Income		738.26		575.58
Dividend Income		0.01		-
Other non-operating revenue:				
Net Profit on Sale of Property, Plant and Equipment		255.73		-
Profit on Sale of Current Investments measured at FVTPL	191.46		70.77	
Less:- Reversal of Fair Value of Current Investments measured at FVTPL	169.54	21.92	-	70.77
Net Gain on Fair Value of Current Investments measured at FVTPL		89.25		285.90
Net Gain on Foreign Currency Translations and Transactions		83.19		110.38
Provision no longer required written back		-		59.62
Deferred Income (Amortization of Government Grant)		102.39		153.51
Miscellaneous Income		177.45		90.62
		1,468.20		1,346.38
Less: Capitalized/ Transferred to CWIP		13.93		4.46
		1,454.27		1,341.92

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

32 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Raw Materials Consumed	54,337.44	40,335.73
Packing Materials Consumed	9,883.05	8,442.81
	64,220.49	48,778.54
Less: Capitalized/ Transferred to CWIP	456.97	0.15
	63,763.52	48,778.39

33 CHANGE IN INVENTORIES OF FINISHED GOODS , WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Closing Stock		
Finished Goods\$	22,691.88	12,692.45
Stock-in-Trade	5,751.12	4,316.70
Total Finished Goods	28,443.00	17,009.15
Work-in-Progress\$	2,311.75	1,893.70
	30,754.75	18,902.85
Less: Opening Stock		
Finished Goods*#	13,296.62	12,368.80
Stock-in-Trade	4,316.70	3,622.26
Total Finished Goods	17,613.32	15,991.06
Work-in-Progress#	2,073.90	1,467.23
	19,687.22	17,458.29
(Increase)/ Decrease in Stock	(11,067.53)	(1,444.56)

* includes ₹ 214.28 Lakhs transfer on commissioning of New product line on 21 April, 2022 by the Company.

includes transfer on commissioning of new product line during the year by a subsidiary of ₹ 558.95 Lakhs on 1 June, 2022 and another subsidiary of ₹ 11.14 Lakhs on 24 May, 2022 (Previous year Nil).

\$ includes ₹ 733.09 Lakhs in Finished goods and ₹ 28.70 Lakhs in Work-in-Progress, balance as on 30 June, 2022, w.r.t subsidiary divested during the year w.e.f 1 July, 2022 refer note no. 56C.

34 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salary, Wages, Bonus etc.*	28,300.57	24,196.54
Contribution towards Provident Fund and Gratuity Fund	1,241.59	932.58
Workmen & Staff Welfare	718.10	693.26
	30,260.26	25,822.38
Less: Capitalized/ Transferred to CWIP	145.12	110.18
	30,115.14	25,712.20

* includes ₹ 259.15 Lakhs (Previous Year Nil) towards share based payments refer note no. 47.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

35 FINANCE COSTS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest	3,611.05	2,894.48
Interest expense on lease liabilities	378.22	311.15
Other Borrowing Costs	507.23	374.76
	4,496.50	3,580.39
Less: Capitalized/ Transferred to CWIP	460.51	616.47
	4,035.99	2,963.92

36 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation and Amortization	6,788.68	6,399.82
Less: Capitalized/ Transferred to CWIP	3.43	4.53
	6,785.25	6,395.29

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

37 OTHER EXPENSES

Particulars	For the year ended 31 March, 2023		For the year ended 31 March, 2022	
Stores and Spare Parts Consumed		7,601.67		7,254.69
Power & Fuel		65,323.05		48,096.98
Repairs and Maintenance:				
Buildings		170.66		204.49
Plant & Machinery		885.15		700.87
Others		148.07		125.79
Rent		156.00		93.57
Rates & Taxes		288.40		404.39
Insurance		1,004.19		1,152.86
Travelling and Conveyance		2,505.61		1,741.21
Freight Outward and Handling Charges		3,688.55		3,625.93
Advertisement & Sales Promotion		5,426.47		3,384.06
Commission to Agents		815.73		576.41
CSR Expenses		148.00		116.68
Provision for credit losses/ doubtful advances		482.20		140.58
Bad Debts	124.92		67.78	
Less: Provision for Credit Losses	117.76	7.16	26.90	40.88
Sundry Balances Written Off		17.97		218.75
Technical Support and Services		6.22		10.72
Loss on Sale of Property, Plant and Equipment (net)		-		36.47
Property, Plant and Equipments Discard /Written Off		23.80		18.08
Other Expenses		3,985.98		3,319.85
		92,684.88		71,263.26
Less: Capitalized/ Transferred to CWIP		763.73		233.11
		91,921.15		71,030.15

38 EARNING PER SHARE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Profit for the year	7,149.16	8,868.71
Weighted average number of equity shares of ₹ 2/- each	4,24,74,208	4,24,74,208
EPS - Basic and Diluted (Per share in ₹)	16.83	20.88

Shares to be issued against the options granted under ESOP Scheme 2021 have been ignored for calculating diluted earning per share as per IND-AS-33 "Earning Per Share" as the average exercise price is higher as compared to average market price of shares during the year.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

39 CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A. Contingent liabilities (not provided for) in respect of:

Particulars	As at 31 March, 2023	As at 31 March, 2022
1. Claim and other demands against the Group not acknowledged as debts.#	302.98	278.50
2. Sales Tax demands against which the Group has preferred appeals.	27.77	27.77
3. Excise duty (excluding interest and penalty), service tax demands and show-cause notices issued against which the Group/Department has preferred appeals/filed replies.	333.36	333.36
4. Income tax demand disputed by the Group which excludes penalty, if any, as same can not be measured at this stage.	130.41	126.15
5. a) Local Area Development Tax imposed by the State of Haryana disputed by the Group.	810.78	810.78
b) Entry Tax matter pending before Hon'ble High Court of Calcutta.	38.88	38.88
6. Demand from ESIC disputed by the Group.	15.41	15.41

#Company has some subjudice labour dispute matters impact of which cannot be ascertained at this stage.

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Group has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Group does not expects any payment in respect of the above contingent liabilities.

B. Others

- (i) The Group has procured certain capital goods under EPCG scheme at concessional rate of duty. As on 31 March, 2023, The Group is contingently liable to pay differential custom duty of ₹ 155.88 Lakhs (Previous year - ₹ 155.88 Lakhs) on such procurement.
- (ii) In light of judgment of Hon'ble Supreme Court dated 28 February, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

C. Commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Estimated amount of Contracts remaining to be executed on Capital Account not provided for [Net of Advances]	6,881.45	1,548.16

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

40 FOREIGN EXCHANGE DERIVATIVES AND EXPOSURES OUTSTANDING AT THE YEAR-END:

Particulars	31 March, 2023		31 March, 2022		
	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (Equivalent Rupees in Lakhs)	
Open Exposures					
Receivables	USD	3.44	280.98	6.33	476.90
Receivables	CNY	0.01	0.05	0.01	0.05
Receivables	AUD	-	-	0.21	11.55
Receivables	EURO	-	-	0.00	0.17
Payables	USD	0.58	47.71	1.81	136.14
Payables	CNY	0.35	4.19	-	-
Payables	EURO	0.15	13.28	0.05	4.45
Payables	NPR	0.90	0.57	0.92	0.58

41 DETAILS OF INVESTMENT MADE, LOAN AND GUARANTEE GIVEN COVERED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

a) Loan given for business purposes

Name	Terms of repayments	For the year ended		Outstanding as at	
		31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Creanza Tiles Private Limited (Formerly Amora Ceramics Private Limited)	After one year	-	-	260.10	260.10
Salix Ceramic Private Limited	Within one year	200.00	100.00	80.00	100.00

The above unsecured loans carries interest rate in the range of 9.00% to 12.00% (Previous Year 9.00% to 12.00%)

b) Details of investments made is given in Note No. 8.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

42 EMPLOYEE BENEFITS

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Contribution to Provident Funds	758.39	672.77

Above amounts have been included in Contributions to Provident and Gratuity Fund (Refer note no. 34) of the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the Group.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March, 2023. 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	31 March, 2023			31 March, 2022		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Opening Balance	2,081.69	1,981.56	100.13	1,926.39	1,848.13	78.26
Included in profit & loss						
Current service cost	210.53	-	210.53	185.45	-	185.45
Interest cost / (income)	150.11	(143.07)	7.04	130.04	(125.67)	4.37
Other Adjustment-Divestment of subsidiary	(2.78)	-	(2.78)	-	-	-
Past Service Cost including curtailment Gains/Losses	295.53	-	295.53	108.67	-	108.67
	653.39	(143.07)	510.32	424.16	(125.67)	298.49

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

42 EMPLOYEE BENEFITS (CONTD.)

Particulars	31 March, 2023			31 March, 2022		
	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
Included in OCI						
Remeasurements loss / (gain)						
Actuarial loss / (gain) arising from:						
- financial assumptions	(31.99)	-	(31.99)	(81.98)	-	(81.98)
- experience adjustment	58.18	-	58.18	50.12	-	50.12
- on plan assets	-	49.83	49.83	-	(7.76)	(7.76)
	26.19	49.83	76.02	(31.86)	(7.76)	(39.62)
Other						
Contributions paid by the employer	-	50.00	(50.00)	-	-	-
Benefits paid	(165.68)	-	(165.68)	(237.00)	-	(237.00)
	(165.68)	50.00	(215.68)	(237.00)	-	(237.00)
Closing Balance	2,595.59	2,124.80	470.79	2,081.69	1,981.56	100.13

B. Plan assets

Particulars	31 March, 2023	31 March, 2022
Fund managed by insurer	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

Particulars	31 March, 2023	31 March, 2022
Discount rate	7.36%-7.38%	7.16%-7.51%
Expected rate of future salary increase	3.50%-5.00%	3.50%-5.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Group expects to contribute ₹ 243.86 Lakhs (Previous Year ₹ 176.05 Lakhs) towards plan assets in the next year.

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For the year ended 31 March, 2023
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42 EMPLOYEE BENEFITS (CONTD.)

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March, 2023		31 March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(107.04)	110.29	(92.34)	90.03
Expected rate of future salary increase (0.5% movement)	91.27	(90.31)	83.08	(87.82)

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 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

43 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES"

A. Related parties and their relationships as per Ind AS 24

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Shreekant Somany	Chairman & Managing Director (CMD)
Mr. Abhishek Somany	Managing Director till 9 August, 2022 and Managing Director & CEO w.e.f 10 August, 2022
Mrs. Anjana Somany	Whole time Director (till 16 June, 2021) (Wife of CMD)
Mr. Sailesh Raj Kedawat [^]	Chief Financial Office (CFO) (w.e.f. 10 November, 2022)
Mr. Saikat Mukhopadhyay [^]	Chief Financial Office (CFO) (till 31 May, 2022)
Mr. Ambrish Julka [^]	Sr. GM (Legal) & Company Secretary
Mrs. Minal Somany	Wife of Mr. Abhishek Somany
Mr. Shrivatsa Somany	Son of Mr. Shreekant Somany
Mr. Ameya Somany	Son of Mr. Abhishek Somany (appointed w.e.f. 1 October, 2021)
Mr. G.G. Trivedi #	Non - Executive Director
Mr. Siddarath Bindra*	Non - Executive Director
Mr. Ravindra Nath*	Non - Executive Director
Mr. Salil Singhal*	Non - Executive Director
Mr. Rameshwar Singh Thakur*	Non - Executive Director
Mrs. Rumjhum Chatterjee*	Non - Executive Director
Mr. Vineet Agarwal*	Non - Executive Director

[^] KMP under the Companies Act, 2013.

Non Independent Directors

* Independent Directors

ii Enterprise over which Company exercise significant influence and with whom transactions have taken place during the year:

H. L. Somany Foundation

iii Employees Trusts

Somany Provident Fund Institution

SPL Employees Gratuity Fund

iv. Other related parties with which Company has transactions:

Name	
Trans India Ceramics Private Limited	Private company in which a director is director
Vidres India Ceramics Private Limited	Private company in which a director is director
Transport Corporation of India Limited	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI Express Limited	Public company in which a director is director and holds more than 2% shares alongwith relatives
TCI-Concor Multimodal Solutions Private Limited	Private company in which a director is director

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

43 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

B. Transactions with the above in the ordinary course of business

Nature of Transactions	For the year ended	
	31 March, 2023	31 March, 2022
a) Payments to Key Managerial Personnel and their relatives		
Mr. Shreekant Somany		
- Remuneration	299.53	298.72
- Commission	100.00	-
Outstanding at the year-end:		
- Remuneration Payable	-	15.49
- Commission Payable	100.00	-
Mr. Abhishek Somany		
- Remuneration	470.93	378.32
- Commission	140.78	174.45
- Rent Paid	11.39	9.53
Outstanding at the year-end:		
- Remuneration Payable	-	16.81
- Commission Payable	140.78	174.45
Mrs. Anjana Somany		
- Remuneration	29.10	27.49
- Rent Paid	3.86	3.25
Outstanding at the year-end:		
- Remuneration Payable	-	1.53
Mrs. Minal Somany		
- Remuneration	31.36	28.36
- Rent Paid	17.00	14.39
Outstanding at the year-end:		
- Remuneration Payable	-	1.28
Mr. Shrivatsa Somany		
- Remuneration	20.92	16.76
Mr. Ameya Somany		
- Remuneration	15.89	7.24
Outstanding at the year-end:		
- Remuneration Payable	-	1.09
Mr. Sailesh Raj Kedawat		
- Remuneration	53.73	-
Mr. Saikat Mukhopadhyay		
- Remuneration	41.05	130.99
Outstanding at the year-end:		
- Remuneration Payable	-	3.60

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43 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2023	31 March, 2022
Mr. Ambrish Julka		
- Remuneration	36.71	31.94
- Sale of Goods	-	0.26
Outstanding at the year-end:		
- Remuneration Payable	-	1.07
b) Non- Executive Directors		
Mr. G.G. Trivedi		
- Reimbursement of Expenses	0.12	-
- Commission	2.00	1.50
- Sitting Fees	1.35	1.70
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
-Sitting Fees Payable	-	0.18
Mr. Siddharath Bindra		
- Commission	2.00	1.50
- Sitting Fees	0.75	1.15
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	0.05	0.14
Mr. Ravindra Nath		
- Commission	2.00	1.50
- Sitting Fees	0.45	0.95
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.14
Mr. Salil Singhal		
- Commission	2.00	1.50
- Sitting Fees	0.75	1.20
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
-Sitting Fees Payable	0.05	0.18
Mr. Rameshwar Singh Thakur		
- Commission	2.00	1.50
- Sitting Fees	1.30	1.75
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.18

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43 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2023	31 March, 2022
Mrs. Rumjhum Chatterjee		
- Commission	2.00	1.50
- Sitting Fees	0.60	0.90
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	0.30	0.14
Mr. Vineet Agarwal		
- Commission	2.00	1.50
- Sitting Fees	0.60	1.15
Outstanding at the year-end:		
- Commission Payable	2.00	1.50
- Sitting Fees Payable	-	0.18
Summary of payment made to KMP#		
Short term employee benefits*	1,162.53	1,033.72
Other Payments	11.51	9.53
c) With Employees Trusts are as under:-		
Somany Provident Fund Institution		
- Contribution made	-	58.78
- Administration Charges	-	2.94
SPL Employees Gratuity Fund		
- Contribution made	215.45	237.00
d) With Other Related Parties are as under:-		
H. L. Somany Foundation		
- Contribution towards CSR Activities	148.00	112.53
- Rent Received	0.24	0.24
- Payments made on their behalf	-	-
Trans India Ceramics Private Limited		
- Purchase of goods	76.08	98.79
- Purchase of Plant and Equipments	-	186.30
- Services received	18.69	12.37
Outstanding at the year-end:		
- Trade Payable	-	2.24
Vidres India Ceramics Private Limited		
- Purchase of goods	3,431.27	3,031.29

* excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole.

During the year company has granted 29,216 options to KMPs out of which 22,678 options has been lapsed during the year, value of which shall be disclosed at the time of exercise of options.

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(All amounts are in rupees lakhs, unless otherwise stated)

43 RELATED PARTIES DISCLOSURES IN ACCORDANCE WITH IND AS 24 "RELATED PARTY DISCLOSURES" (CONTD.)

Nature of Transactions	For the year ended	
	31 March, 2023	31 March, 2022
- Sale of goods	3.02	-
Outstanding at the year-end:		
- Trade Payable	135.44	175.43
Transport Corporation of India Limited		
- Services received	75.02	67.18
Outstanding at the year-end:		
- Trade Payable	4.39	18.45
TCI Express Limited		
- Services received	48.72	60.78
- Reimbursement of Expenses	-	0.37
Outstanding at the year-end:		
- Trade Payable	10.69	12.20
TCI-Concor Multimodal Solutions Private Limited		
- Services received	-	6.19
Outstanding at the year-end:		
- Trade Payable	-	1.28

Terms and conditions of transactions with related parties:

Outstanding balances at the year-end are unsecured, Interest Free and settlement occurs in cash.

44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I Fair value measurements

A. Financial instruments by category

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Assets				
Investments				
Current	3,185.03	-	6,002.85	-
Loans				
Non Current	-	260.10	-	-
Current	-	80.00	-	300.00
Trade receivables	-	26,831.38	-	23,683.64
Cash and cash equivalents	-	14,607.52	-	9,376.23
Bank balances other than above	-	846.66	-	5,484.49
Others				
Non Current	-	1,785.56	-	1,545.86
Current	-	126.79	-	617.45
	3,185.03	44,538.01	6,002.85	41,007.67

Notes to Consolidated Financial Statements

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Liabilities				
Borrowings				
Non Current	-	18,511.02	-	17,461.17
Current	-	30,325.83	-	30,193.85
Lease Liability				
Non Current	-	3,778.44	-	2,942.21
Current	-	807.35	-	644.30
Other Financial Liabilities				
Non-current	-	3,067.10	-	2,798.76
Current	-	681.48	-	1,007.86
Trade payables	-	37,763.68	-	26,015.32
	-	94,934.90	-	81,063.47

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognized and measured at fair value and
- measured at amortized cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31 March, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,344.51	1,840.52	-	3,185.03
Total financial assets	1,344.51	1,840.52	-	3,185.03

Particulars	As at 31 March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVTPL				
Investments				
Current	1,384.44	4,618.41	-	6,002.85
Total financial assets	1,384.44	4,618.41	-	6,002.85

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, debt instruments that have quoted price. The fair value is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, mutual funds, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Financial assets and liabilities measured at amortized cost

Particulars	Level	As at 31 March, 2023		As at 31 March, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Loans					
Non Current	3	260.10	260.10	-	-
Current	3	80.00	80.00	300.00	300.00
Trade receivables - current	3	26,831.38	26,831.38	23,683.64	23,683.64
Cash and cash equivalents	3	14,607.52	14,607.52	9,376.23	9,376.23
Bank balances other than above	3	846.66	846.66	5,484.49	5,484.49
Others					
Non Current	3	1,785.56	1,664.49	1,545.86	1,444.40
Current	3	126.79	126.79	617.45	617.45
		44,538.01	44,416.94	41,007.67	40,906.21
Financial liabilities					
Borrowings					
Non Current	3	18,511.02	18,511.02	17,461.17	17,461.17
Current	3	30,325.83	30,325.83	30,193.85	30,193.85
Lease Liability					
Non Current	3	3,778.44	3,778.44	2,942.21	2,942.21
Current	3	807.35	807.35	644.30	644.30
Other financial liabilities					
Non-current	3	3,067.10	3,067.10	2,798.76	2,798.76
Current	3	681.48	681.48	1,007.86	1,007.86
Trade payables - current	3	37,763.68	37,763.68	26,015.32	26,015.32
		94,934.90	94,934.90	81,063.47	81,063.47

The fair value of Current financial assets and liabilities carried at amortized cost is considered equal to the carrying amounts of these items due to their short- term nature. The fair value of items that are Non-current in nature, has been determined using discounted cash flow basis

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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.

Notes to Consolidated Financial Statements

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Particulars	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
As at March 31, 2023							
Gross Carrying amount	20,441.09	5,464.12	258.44	49.40	164.47	2,711.70	29,089.22
Specific Provision	-	(7.21)	(3.50)	(22.76)	(107.78)	(2,065.59)	(2,206.84)
Expected loss rate	0.16%	0.16%	2.34%	4.57%	0.86%	0.00%	0.18%
Expected credit losses	(32.57)	(8.70)	(6.05)	(2.26)	(1.42)	-	(51.00)
Carrying amount	20,408.52	5,448.21	248.89	24.38	55.27	646.11	26,831.38

Particulars	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
As at March 31, 2022							
Gross Carrying amount	17,444.10	4,701.56	116.28	174.20	559.17	2,619.72	25,615.03
Specific Provision	-	-	(5.53)	(51.00)	(217.24)	(1,614.19)	(1,887.96)
Expected loss rate	0.09%	0.09%	2.15%	3.15%	2.70%	0.00%	0.17%
Expected credit losses	(16.26)	(4.11)	(2.50)	(5.49)	(15.07)	-	(43.43)
Carrying amount	17,427.84	4,697.45	108.25	117.71	326.86	1,005.53	23,683.64

Reconciliation of loss allowance provision – Trade receivables

Particulars	For the year ended	
	31 March, 2023	31 March, 2022
Opening balance	1,931.39	1,826.25
Changes in loss allowance	326.45	105.14
Closing balance	2,257.84	1,931.39

Investments

Group invests in Bonds, Debentures, Liquid Mutual Funds, Equity instruments etc., in accordance with the Company's Investment Policy that includes parameters of safety, liquidity and post tax returns. Group avoids the concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position as well as held to maturity policy. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis. Based on historical experience and credit profiles of counterparties, the Group does not expect any significant risk of default other than as disclosed.

iii. Liquidity risk

Liquidity risk is the risk that the Group may face difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, sufficient liquidity to meet its obligations, under both normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

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.

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amount 31 March, 2023	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current borrowings	22,749.59	-	4,238.57	14,196.98	4,314.04
Lease Liability	4,585.79	-	1,176.66	3,453.21	1,321.48
Other non-current financial liabilities	3,067.10	-	-	-	3,067.10
Current Borrowings	26,087.26	5,212.62	20,874.64	-	-
Trade payables	37,763.68	-	37,763.68	-	-
Other current financial liabilities	681.48	-	681.48	-	-
Total financial liabilities	94,934.90	5,212.62	64,735.03	17,650.19	8,702.62

Particulars	Carrying Amount 31 March, 2022	Contractual cash flows			
		On demand	Less than 1 Year	1–5 years	More than 5 years
Financial liabilities					
Non Current borrowings*	22,302.81	-	4,841.64	10,730.74	6,730.43
Lease Liability	3,586.51	-	931.69	2,777.30	895.96
Other non-current financial liabilities	2,798.76	-	-	-	2,798.76
Current Borrowings	25,352.21	6,133.77	19,218.44	-	-
Trade payables	26,015.32	-	26,015.32	-	-
Other current financial liabilities	1,007.86	-	1,007.86	-	-
Total financial liabilities	81,063.47	6,133.77	52,014.95	13,508.04	10,425.15

* Including current maturity of non current borrowings.

iv. Market risk

Risk on account of changes in foreign exchange rates, interest rates etc. that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk is to optimize the return by managing and controlling the market risk exposures within acceptable parameters.

v. Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency (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, AUD & NPR. The risk is measured through a forecast of highly probable foreign currency cash flows.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

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44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Company is as follows (Foreign currency in Lakhs)

	As at 31 March, 2023					As at 31 March, 2022				
	USD	CNY	EUR	AUD	NPR	USD	CNY	EUR	AUD	NPR
Receivables (A)	3.44	0.01	-	-	-	6.33	0.01	0.00	0.21	-
Payables (B)	0.58	0.35	0.15	-	0.90	1.81	-	0.05	-	0.92
Net statement of financial position exposure (B-A)	(2.86)	0.34	0.15	-	0.90	(4.52)	(0.01)	0.05	0.21	0.92

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
USD 1	78.59	74.51	81.79	75.39
CNY 1	11.96	11.57	11.96	11.97
EUR 1	87.82	86.56	90.35	85.29
AUD 1	55.38	55.75	54.64	56.12
NPR 1	0.63	0.63	0.63	0.63

Sensitivity analysis

Every percentage point depreciation / appreciation in the exchange rate for the closing balances between the Indian Rupee and respective currencies would affect the Group's incremental profit before tax and equity, net of tax as per below :

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2023				
USD (10% movement)	23.39	(23.39)	17.50	(17.50)
CNY (10% movement)	(0.41)	0.41	(0.30)	0.30
EUR (10% movement)	(1.36)	1.36	(1.01)	1.01
NPR (10% movement)	(0.06)	0.06	(0.04)	0.04

	(Profit) or loss before Tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March, 2022				
USD (10% movement)	34.08	(34.08)	25.50	(25.50)
CNY (10% movement)	0.01	(0.01)	0.01	(0.01)
EUR (10% movement)	(0.43)	0.43	(0.32)	0.32
AUD (10% movement)	(1.18)	1.18	(0.88)	0.88
NPR (10% movement)	(0.06)	0.06	(0.04)	0.04

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

44 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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, 2023 and March 31, 2022, 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:

Particulars	Nominal Amount	
	31 March, 2023	31 March, 2022
Fixed-rate instruments		
Borrowings	2,965.80	3,091.33
	2,965.80	3,091.33
Variable-rate instruments		
Borrowings*	30,500.21	27,342.90
	30,500.21	27,342.90

*excluding bills discounting on which the Company has no interest exposure.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss)		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
31 March, 2023				
Variable-rate instruments	(152.50)	152.50	(114.12)	114.12
Cash flow sensitivity	(152.50)	152.50	(114.12)	114.12
31 March, 2022				
Variable-rate instruments	(136.71)	136.71	(102.31)	102.31
Cash flow sensitivity	(136.71)	136.71	(102.31)	102.31

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.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

45 CAPITAL-WORK-IN PROGRESS (CWIP) AGEING SCHEDULE AS ON 31 MARCH, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,725.59	-	-	-	4,725.59
Total	4,725.59	-	-	-	4,725.59

Capital-Work-in Progress (CWIP) Ageing Schedule as on 31 March, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	22,631.91	32.59	6.13	-	22,670.63
Total	22,631.91	32.59	6.13	-	22,670.63

There were no temporarily suspended projects and/or no time overrun and/or cost overrun for the projects under capital works in progress as on 31 March, 2023 and 31 March, 2022

46 EXCEPTIONAL ITEM

The Parent Company has divested its investment in one of its subsidiary Amora Ceramics Private Limited, w.e.f 1 July, 2022 resulting loss of control over the subsidiary. (Refer Note No. 56C). This has no material impact on the operations of the Group. Loss on disinvestment of ₹ 217.68 Lakhs has been shown under the head Exceptional Item.

47 SHARE BASED PAYMENTS

a) Scheme Details

Nomination and Remuneration Committee (NRC) & Board of Directors at its meeting held on 10 December, 2021, approved an issue of stock options aggregating 4,23,794 equity shares of the face value of ₹ 2 each, up to a maximum of 1% of the then issued equity capital of the Parent Company. The shareholders of the Parent Company vide their special resolution passed through postal ballot on 7 April, 2022 approved the issue of equity shares of the Parent Company under Somany Ceramics Employee Stock Option Plan 2021.

Details of options granted by NRC under the said scheme are as follows:

Particulars	Tranche 1	Tranche 2
No. of Options Granted	: 3,50,102	1,01,107
Grant Date	: 29 April, 2022	7 February, 2023
Vesting Schedule	: The vesting period for conversion of Options is as follows:	
	• On completion of 24 months from the date of grant of the Options: 25% vests	
	• On completion of 36 months from the date of grant of the Options: 25% vests	
	• On completion of 48 months from the date of grant of the Options: 25% vests	
	• On completion of 60 months from the date of grant of the Options: 25% vests	
Maximum term of Exercise period	: 7 years from the date of vesting	
Method of settlement	: Equity	
General terms and conditions of Plan	: Each Option entitles the holder thereof to apply for and be allotted 1 Ordinary Share of the Company of ₹ 2.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of seven years from the date of vesting in respect of Options granted under the plan.	

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

47 SHARE BASED PAYMENTS (CONTD.)

b) Compensation expenses arising on account of share based payment

Particulars	31 March, 2023	31 March, 2022
Expenses arising from equity settled share-based payment transactions	259.15	NA

c) Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date, expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. Details for which are as under:

Particulars	Tranche 1	Tranche 2
Grant Date	29 April, 2022	7 February, 2023
Exercise price	647.85	536.05
Weighted Average Fair value	329.74	270.33
Risk-free interest rate	6.73%-7.15%	7.19%-7.25%
Expected life	5.5-8.5 years	5.5-8.5 years
Expected volatility	41.01%-43.24%	39.36%-40.92%
Expected dividends	0.88%	0.85%
The price of the underlying shares in market at the time of Option grant	647.85	536.05

Methodology for determination of expected volatility : The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options.

Expected life : The expected option life is assumed to be average between the option vesting and expiry (total time period available with an employee to exercise an option). Since there are multiple vesting and expiry period of each tranche, consequently the expected life will be different for each vesting schedule.

d) Movement in share options during the year (in Numbers):

Particulars	Tranche 1	Tranche 2
Balance at the beginning of the year	-	-
Granted during the year	3,50,102	1,01,107
Exercised during the year	-	-
Forfeited / lapsed during the year	34,806	-
Expired during the year	-	-
Balance at the end of the year	3,15,296	1,01,107
Exercisable as at 31 March, 2023	-	-

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

48 DIVIDEND

During the year, the Company has paid dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs towards final dividend for the year ended 31 March, 2022. Further, the Board of directors has recommended dividend of ₹ 3/- per equity share aggregating ₹ 1,274.23 Lakhs in their meeting held on 23 May, 2023 for the financial year ended 31 March, 2023 and same is subject to approval of shareholders at the ensuing Annual General Meeting.

49 SEGMENT REPORTING

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Ceramic Tiles and Allied products" and substantially sale of the products and Non-current assets are within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

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(A) - Trade Receivables ageing

Trade Receivables ageing schedule for the period ended 31 March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	20,441.09	5,454.47	253.21	14.15	7.80	-	26,170.72
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	9.65	4.35	35.23	148.65	1,945.84	2,143.72
(iii) Disputed Trade Receivables – credit impaired	-	-	0.88	0.02	8.02	765.86	774.78
	20,441.09	5,464.12	258.44	49.40	164.47	2,711.70	29,089.22

Trade Receivables ageing schedule for the period ended 31 March, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	17,444.10	4,701.56	105.23	72.20	138.90	7.83	22,469.82
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	11.05	102.00	418.88	1,999.37	2,531.30
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	1.39	612.52	613.91
	17,444.10	4,701.56	116.28	174.20	559.17	2,619.72	25,615.03

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

50 (Contd.)

(B) - Trade Payables ageing

Trade Payables ageing schedule for the period ended 31 March, 2023

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	4,268.18	0.86	-	-	-	4,269.04
ii) Others	441.98	25,883.93	6,592.09	218.53	287.76	64.27	33,488.56
iii) Disputed dues – MSME	-	4.20	-	-	-	-	4.20
iv) Disputed dues - Others	-	-	1.88	-	-	-	1.88
	441.98	30,156.31	6,594.83	218.53	287.76	64.27	37,763.68

Trade Payables ageing schedule for the period ended 31 March, 2022

Particulars	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) MSME*	-	2,377.37	-	-	-	-	2,377.37
ii) Others	427.83	17,807.31	4,961.54	364.49	21.33	55.45	23,637.95
	427.83	20,184.68	4,961.54	364.49	21.33	55.45	26,015.32

*Outstanding dues of Micro Enterprises & Small Enterprises only.

51 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarizes the capital of the Group.

Particulars	31 March, 2023	31 March, 2022
Equity Share Capital	849.48	849.48
Other Equity	77,847.46	71,780.17
Non Controlling Interest	10,756.68	10,761.83
Total Equity	89,453.62	83,391.48
Non-Current Borrowings	18,511.02	17,461.17
Current maturities of Non-Current Borrowings	4,238.57	4,841.64
Current Borrowings	26,087.26	25,352.21
Total Debts	48,836.85	47,655.02

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

52 CHANGES IN LIABILITIES AND ASSET FROM FINANCING ACTIVITIES ARE AS UNDER:

Particulars	31 March, 2023	Cash Flow changes	Non- Cash Changes			31 March, 2022
			Obtaining/ losing Control of Subsidiary	Expense Accrued	Others	
Non Current borrowings*	22,749.59	1,609.83	(1,163.05)	-	-	22,302.81
Current borrowings	26,087.26	1,052.51	(317.47)	-	-	25,352.22
Lease Liability	4,585.79	(674.63)	-	-	1,673.91	3,586.51
Accrued Interest	214.89	(3,845.55)	(10.41)	4,035.99	-	34.86
Total liabilities from financing activities	53,637.53	(1,857.84)	(1,490.93)	4,035.99	1,673.91	51,276.40

Particulars	31 March, 2022	Cash Flow changes	Non Cash Changes			As at 31 March, 2021
			Obtaining/ losing Control of Subsidiary	Expense Accrued	Others	
Non Current borrowings*	22,302.81	2,087.37	-	-	-	20,215.44
Current borrowings	25,352.22	8,090.29	-	-	-	17,261.93
Lease Liability	3,586.51	(640.59)	-	-	523.01	3,704.09
Accrued Interest	34.86	(3,123.15)	-	2,905.33	-	252.68
Total liabilities from financing activities	51,276.40	6,413.92	-	2,905.33	523.01	41,434.14

* Including current maturity of non current borrowings.

53 LEASE DISCLOSURE

I. Group as a lessee :-

The Group incurred following expenses towards short-term leases and leases of low-value assets.

Lease payments not recognized as a Lease Liability.

Particulars	31 March, 2023	31 March, 2022
Short-term Leases	154.87	92.71
Leases of Low Value Assets	1.13	0.86

II. Group as a lessor :-

The Group has recognized rent income under the head of other income as follows:

Particulars	31 March, 2023	31 March, 2022
Rent received during the year	17.12	14.07

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

- 54** There are following charges appearing on the website of the MCA. These are very old charges against which the Company has no loan outstanding as at reporting date. The Company is taking up with the MCA to remove these charges from its website.

S. No.	Lender Name	Amount	Location of the Registrar
1	L.I.C. OF INDIA	24.00	Kolkata
2	L.I.C. OF INDIA	24.00	Kolkata
3	L.I.C. OF INDIA	24.00	Kolkata
4	H.D.F.C. LIMITED	19.65	Kolkata
5	ICICI BANK LIMITED	50.00	Kolkata

- 55** a) Detail of transactions and relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name	Nature of transaction	Balance as at March 31, 2023	Balance as at 31 March, 2022	Relationship
Rabjyot Tradecon Private Limited*	Receivables	15.73	25.73	None

* payment received during the year from the director of the struck off company on its behalf.

- b) In few subsidiary companies, having borrowings facility from banks on the basis of security of current assets, the amount shown in quarterly returns or statements were derived from the unaudited and provisional books of accounts. As regards the disclosure of discrepancies, if any, envisaged to be disclosed as part of additional information were not made due to unfinished summary of reconciliation in this regards. However, the management of the subsidiary companies do not foresee any reasons for material discrepancies nevertheless figures submitted in quarterly returns or statements were provisional and unaudited in nature and subject to reconciliation.
- c) Other disclosures required under Schedule III amendments:
- No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
 - None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - The Group has complied with the number of layers prescribed under the Companies Act, 2013.
 - There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending 31 March, 2023 and 31 March, 2022 which needs to be recorded in the books of account of any of the entities consolidated in the Group.
 - The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
 - Utilization of borrowed funds and share premium
 - The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - Borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

56 BUSINESS COMBINATION

A. In earlier years, the Hon'ble National Company Law Tribunal Kolkata bench, (NCLT) vide order dated 4 September, 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. 1 April, 2018. The Scheme became effective on 25 September, 2019. Impact of the scheme has been considered during the year ended 31 March, 2020.

B. Amalgamation with Schablona India Limited (SIL)

During the previous year, the Hon'ble National Company Law Tribunal Kolkata bench, (NCLT) vide order dated 20 December, 2021 and the Hon'ble National Company Law Tribunal Delhi bench vide order dated 24 December, 2021, sanctioned the Scheme of Amalgamation of Schablona India Limited (Amalgamating Company) engaged in the business of manufacturing and trading of tiles and home decor, with the Company under section 230 to 232 of the Companies Act, 2013 from the appointed date i.e. 1 April, 2019. The Scheme became effective on 1 January, 2022 on filing of orders with respective Registrar of Companies.

The accounting effect of this Amalgamation to in the financial statements has been given as under:-

- i) In terms of the said scheme, authorized capital of the Company has since been increased by ₹ 500 Lakhs (2,50,00,000 equity shares of ₹ 2 each) on merger of authorized share capital of SIL.
- ii) In terms of the said Scheme, 3 (Three) fully paid-up equity share of ₹ 2 each of the Company shall be issued and allotted to the Shareholders of the SIL for every 100 (Hundred) Equity shares of ₹ 4 each held by them. These shares shall rank pari passu in all respect (including dividend) with the existing shareholders of the Company. Any fraction of share arising out of the share exchange process, if any, will be rounded off to nearest whole number. 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 SIL ₹ 126.37 Lakhs consisting of 31,59,215 equity shares of ₹ 4 each as on the Appointed Date stand cancelled.
- iv) The Company has recorded all assets and liabilities of the SIL at their respective book values as appearing in the books of account of the SIL immediately before the appointed date and audited by auditor of SIL.

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e. 1 April, 2019) is as follows:

Particular	Amount
a) Summary of Assets, Liabilities and Reserve acquired	
Assets	
Non-Current Assets	
Property, Plant and Equipment	270.27
Other Non-Current Assets	13.56
Current Assets	
Inventories	179.96
Financial Assets	
Trade Receivables	277.67
Cash and Cash Equivalents	14.02
Bank balances other than above	17.96
Current Tax Assets	4.57
Other Current Assets	45.77
Total Assets (x)	823.78

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

56 BUSINESS COMBINATION (CONTD.)

Particular	Amount
Liabilities	
Non-Current Liabilities	
Financial Liabilities	
Borrowings	7.21
Other Financial Liabilities	152.26
Provisions	5.62
Current Liabilities	
Financial Liabilities	
Borrowings	1,085.00
Trade Payables	
Outstanding dues to Micro and Small Enterprises	1,209.75
Outstanding dues other than Micro and Small Enterprises	165.98
Other Financial Liabilities	80.82
Other Current Liabilities	7.14
Total Liabilities (y)	2,713.78
Other Equity	
Capital reserve	0.63
General reserve	75.00
Retained earnings	(2,092.01)
Total Other Equity (z)	(2,016.38)
b) Assets (net off liabilities) and other equity acquired as at 1 April, 2019 (x-y-z)	126.38
c) Consideration	
94,782 equity shares of ₹ 2 each issued to the shareholders of SIL on 13 January, 2022	1.90
d) Capital Reserves (b-c)	124.48

C. Divestment in Subsidiary (Loss of Control)

During the year, parent company has divest its investment in one of its subsidiary Amora Ceramics Private Limited on 1 July, 2022 for the consideration of ₹ 362.21 Lakhs.

Summary of Consolidated Assets and Liabilities of Subsidiary in which divestment made during the year:

Particular	Amount
Non Current Assets	2,318.88
Current Assets	1,404.61
Non Current Liabilities	1,026.57
Current Liabilities	1,559.88
Net Assets	1,137.04

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

56 BUSINESS COMBINATION (CONTD.)

Summary of Revenue and Expenditure of Subsidiary for the period 1 April, 2022 to 30 June, 2022, in which divestment made during the year, included in Consolidated Statement of Profit & Loss:

Particular	Amount
Revenue	1,493.88
Less Expenses	1,485.19
Profit before tax	8.69
Tax Expense	2.19
PAT	6.50

Summary of Gain on divestment in subsidiary

Particular	Amount
Net Assets Disposed off	(1,137.04)
Non Controlling interests	557.15
Consideration received on divestment	362.21
Gain/(Loss) on divestment	(217.68)

57 During the financial year 2018-19, the Parent Company had discovered defalcation of ₹ 1,585.82 Lakhs committed by an employee. The Company has filed a civil as well as a criminal suit against him and his wife, being the beneficiaries. During the pendency of the suit, he and his wife have signed a 'Memorandum of Understanding' (MOU) dated 11 February, 2021 with the Company, duly acknowledged by Hon'ble High Court of Gujarat vide its order dated 12 February, 2021, under which he and his wife offered their immovable properties to the tune of ₹ 660.00 Lakhs (net off loan of ₹ 40.17 Lakhs), which has since been transferred in the name of the Company, as value determined by the Hon'ble High Court of Gujarat and a sum of ₹ 40.00 Lakhs deposited by them in the Court towards compliance of their Bail condition. In terms of the said MOU, the Company is obligated to attempt to sell the properties in a diligent manner and quantify the amount received upon sale of such properties (net of expenses) and submit a purshis(s) of the same with the Hon'ble Civil Court. The Company has during the year sold on property and increased the "Liability under Defalcation Suit". Awaiting the final decree of the Hon'ble Civil Court, the Company is holding the properties in fiduciary capacity and disclosed the same as 'Properties held in trust' under Note no. 15 amounting to ₹ 657.75 Lakhs (Previous year ₹ 657.75 Lakhs) and also recognized 'Liability under Defalcation Suit' amounting to ₹ 665.78 Lakhs (net of Expenses) (Previous year ₹ 669.64 Lakhs) under Note no 27. The final accounting and taxation of the amounts mentioned in the purshis(s) would be done based on the final verdict of the Hon'ble Civil Court.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

58 The Consolidated Financial Statements include the accounts of Somany Ceramics Limited (Parent Company) and its subsidiaries as detailed below:

Name	Country of Incorporation	Percentage of Ownership interest as at 31 March, 2023	Percentage of Ownership interest as at 31 March, 2022
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%
Vicon Ceramic Private Limited	India	26%	26%
Acer Granito Private Limited	India	26%	26%
Sudha Somany Ceramics Private Limited	India	60%	60%
Creanza Tiles Private Limited (Formerly Amora Ceramics Private Limited) (Ceases w.e.f. 1 July, 2022)	India	-	51%
Somany Bath Fittings Private Limited	India	100%	100%
Somany Piastrelle Private Limited (w.e.f 18 February, 2021)	India	100%	100%
SRCL Buildwell Private Limited (subsidiary of SR Continental Limited) *	India	100%	100%
Somany Max Private Limited #	India	80%	100%

* Incorporated on 24 February, 2022 to carry out the business of manufacturing of large format/slab tiles.

Incorporated on 9 November, 2021 to carry out the business of trading of premium range of tiles and allied products.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

59 DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

a) As at and for the year ended 31 March, 2023

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit/(Loss)	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Parent								
Somany Ceramics Limited	99.52%	78,320.81	126.01%	9,008.47	113.60%	(75.74)	126.12%	8,932.73
Subsidiaries (Indian)								
SR Continental Limited	0.47%	372.56	(0.01)%	(1.06)	0.00%	-	(0.01)%	(1.06)
Somany Bathware Limited	0.13%	100.63	0.04%	2.64	0.00%	-	0.04%	2.64
Amora Tiles Private Limited	1.23%	965.09	(6.92)%	(494.51)	1.05%	(0.70)	(6.99)%	(495.21)
Somany Fine Vitrified Private Limited	1.65%	1,300.63	(10.58)%	(756.52)	(5.59)%	3.73	(10.63)%	(752.79)
Somany Sanitaryware Private Limited	1.58%	1,244.61	0.48%	34.63	(7.84)%	5.23	0.56%	39.86
Somany Excel Vitrified Private Limited	0.50%	396.07	(0.01)%	(1.07)	0.00%	-	(0.02)%	(1.07)
Vintage Tiles Private Limited	1.96%	1,538.69	0.13%	9.03	(8.11)%	5.41	0.20%	14.44
Somany Piastrelle Private Limited	(0.28)%	(224.02)	(13.28)%	(949.15)	(0.01)%	0.01	(13.40)%	(949.14)
SRCL Buildwell Private Limited (subsidiary of SR Continental Limited)	0.31%	244.61	0.01%	0.77	0.00%	-	0.01%	0.77
Somany Max Private Limited	6.24%	4,913.44	(1.21)%	(86.21)	0.00%	-	(1.22)%	(86.21)
Acer Granito Private Limited	3.64%	2,865.71	0.53%	38.01	(2.11)%	1.41	0.56%	39.42
Vicon Ceramic Private Limited	1.48%	1,166.66	0.86%	61.53	(1.09)%	0.73	0.88%	62.26
Sudha Somany Ceramics Private Limited	3.58%	2,815.00	(6.79)%	(485.30)	(3.93)%	2.62	(6.82)%	(482.68)
Creanza Tiles Private Limited (Formerly Amora Ceramics Private Limited)	0.00%	-	(0.19)%	(13.91)	0.00%	-	(0.20)%	(13.91)
Somany Bath Fittings Private Limited	0.98%	772.62	0.37%	26.16	(0.01)%	0.01	0.37%	26.17
Non Controlling Interest in All Subsidiaries	(13.67)%	(10,756.68)	6.40%	457.50	14.07%	(9.38)	6.33%	448.12
Consolidated Adjustments/ Eliminations*	(9.33)%	(7,339.48)	4.17%	298.15	0.00%	-	4.21%	298.15
	100.00%	78,696.95	100.00%	7,149.16	100.00%	(66.67)	100.00%	7,082.49

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

Notes to Consolidated Financial Statements

For the year ended 31 March, 2023
(All amounts are in rupees lakhs, unless otherwise stated)

59 DISCLOSURE OF THE ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III (CONTD.)

b) As at and for the year ended 31 March, 2022

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	96.93%	70,403.15	98.99%	8,778.77	17.95%	2.83	98.84%	8,781.60
Subsidiaries (Indian)								
SR Continental Limited	0.51%	373.63	(0.12)%	(10.45)	0.00%	-	(0.12)%	(10.45)
Somany Bathware Limited	0.13%	98.00	0.03%	2.70	0.00%	-	0.03%	2.70
Amora Tiles Private Limited	2.01%	1,460.29	(2.27)%	(201.30)	52.32%	8.25	(2.17)%	(193.05)
Somany Fine Vitrified Private Limited	2.83%	2,053.42	(2.44)%	(216.59)	14.02%	2.21	(2.41)%	(214.38)
Somany Sanitaryware Private Limited	1.66%	1,204.70	0.28%	24.93	(2.09)%	(0.33)	0.28%	24.60
Somany Excel Vitrified Private Limited	0.55%	397.14	0.28%	24.97	0.00%	-	0.28%	24.97
Vintage Tiles Private Limited	2.10%	1,524.24	0.64%	57.16	60.67%	9.57	0.75%	66.73
Somany Piastrelle Private Limited	1.31%	952.20	(0.14)%	(12.47)	0.00%	-	(0.14)%	(12.47)
SRCL Buildwell Private Limited (subsidiary of SR Continental Limited)	(0.01)%	(6.16)	(0.08)%	(7.16)	0.00%	-	(0.08)%	(7.16)
Somany Max Private Limited	0.00%	0.65	(0.00)%	(0.35)	0.00%	-	(0.00)%	(0.35)
Acer Granito Private Limited	3.89%	2,826.29	2.38%	211.28	9.06%	1.43	2.39%	212.71
Vicon Ceramic Private Limited	1.52%	1,104.42	0.78%	69.23	9.64%	1.52	0.80%	70.75
Sudha Somany Ceramics Private Limited	4.54%	3,297.71	4.78%	423.86	4.88%	0.77	4.78%	424.63
Creanza Tiles Private Limited (Formerly Amora Ceramics Private Limited)	0.70%	509.02	(1.60)%	(141.55)	10.01%	1.58	(1.58)%	(139.97)
Somany Bath Fittings Private Limited	1.03%	746.46	0.08%	6.86	6.36%	1.00	0.09%	7.86
Non Controlling Interest in All Subsidiaries	(14.82)%	(10,761.83)	(5.33)%	(472.92)	(82.83)%	(13.06)	(5.47)%	(485.98)
Consolidated Adjustments/ Eliminations*	(4.89)%	(3,553.68)	3.74%	331.74	0.00%	-	3.73%	331.74
	100.00%	72,629.65	100.00%	8,868.71	100.00%	15.77	100.00%	8,884.48

*includes inter company eliminations, consolidation adjustments including accounting estimation difference.

Notes to Consolidated Financial Statements For the year ended 31 March, 2023

(All amounts are in rupees lakhs, unless otherwise stated)

60 In case of paying agent arrangements the Group was earlier derecognising trade payable and recognising such liabilities as current borrowings, however, since these liabilities have a similar nature and function to trade payables as these are part of the working capital used in the Group's normal operating cycle, accordingly, in order to give more appropriate presentation, the Group has reclassified previous year liabilities of ₹ 3,467.62 Lakhs on account of paying agent arrangements from current "Borrowings" to "Trade payable" to conform current year classification of ₹ 5,913.89 Lakhs.

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: 23 May, 2023

For and on behalf of Board of Directors

Shreekant Somany

Chairman & Managing Director
DIN: 00021423

Sailesh Raj Kedawat

Chief Financial Officer

Abhishek Somany

Managing Director & CEO
DIN: 00021448

Ambrish Julka

Sr. 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: sclinvestors@somanyceramics.com; corporateaffairs@somanyceramics.com

NOTICE OF THE 55TH ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting (“AGM”) of the Members of Somany Ceramics Limited will be held on Friday, the 25 August, 2023 at 11:30 A.M. 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 31 March, 2023 together with the Reports of Directors’ and Statutory Auditors’ thereon; and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2023 together with report of Statutory Auditors thereon.

2. To declare a dividend on equity shares for the financial year ended 31 March, 2023.
3. To appoint a Director in place of Mr. Abhishek Somany (DIN:00021448), 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:**

Re-appointment of Mr. Shreekant Somany (DIN: 00021423) as the Chairman & Managing Director of the Company for a period of 5 (Five) consecutive years, commencing from 1 September, 2023 till 31 August, 2028.

“**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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), consent and/ or approval of Members of the Company be and is hereby accorded for the re-appointment of Mr. Shreekant Somany

(DIN: 00021423) (“Mr. Somany”) (who has attained the age of 74 years) as the Chairman & Managing Director (“Key Managerial Personnel”) of the Company for a further period of 5 (Five) consecutive years, commencing from 1 September, 2023 till 31 August, 2028, not liable to retire by rotation and to receive remuneration by way of salary, commission, perquisites and/or allowances, as Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration Committee and Board of Directors of the Company and upon the terms, conditions and stipulations contained in the draft Agreement to be entered into between the Company of the ONE PART and Mr. Somany of the OTHER PART and details as set out in the Statement pursuant to Section 102 of the Companies Act, 2013, 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 Mr. 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 Mr. Somany, provided, however, that the remuneration payable to Mr. Somany, shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule V to the said Act, or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being in force.”

“**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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 the payment of remuneration to Mr. Somany as the Chairman & Managing Director of the Company, who is also a Promoter of the Company, during his term commencing on 1 September, 2023 and ending on 31 August, 2028 notwithstanding that the annual remuneration to Mr. Somany may exceed ₹ 5 Crore or 2.5% 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 all the executive directors exceeds 5% of the net profits of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary desirable or expedient to give effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

Re-appointment of Mr. Vineet Agarwal (DIN: 00380300) as an Independent Director for his second term of five (5) consecutive years.

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Vineet Agarwal (DIN: 00380300), who was appointed as an Independent Director of the Company at the 51st Annual General Meeting held on 19 August, 2019 for a period of 5 years i.e. from 1 May, 2019 upto 30 April, 2024 and who is eligible for being re-appointed as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years i.e. from 1 May, 2024 upto 30 April, 2029.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution.”

6. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

Approval for adoption of Somany Ceramics Employee Stock Option Plan 2023 and grant of employee stock options to the Eligible Employees/Directors of the Company thereunder.

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013, read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from

time to time (hereinafter referred to as “SEBI (SBEB) Regulations”), Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), the approval of the Shareholders of the Company be and is hereby accorded to adopt the Somany Ceramics Employee Stock Option Plan 2023 (the “Plan” or “Scheme”) and to authorize the Board of Directors of the Company [hereinafter referred to as the “Board”, which term shall include the Nomination & Remuneration Committee (“Nomination & Remuneration Committee” which the Board has constituted to exercise its powers, including the powers, conferred by this resolution)], to create, offer and grant from time to time such number of Employee Stock Options (“Options”) to eligible employee as designated by the Company under the plan, who is exclusively working with the Company whether employed in India or outside India and to eligible Directors under the Plan and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time, as may be decided by the Nomination & Remuneration Committee under the Plan, exercisable into not more than 12,74,226 (Twelve Lacs Seventy Four Thousand Two Hundred and Twenty Six) Options (i.e. 3% of the current fully paid up equity shares of the Company), each Option giving the right but not the obligation to the holder to subscribe to one fully paid-up Equity Share in the Company, of face value of ₹ 2/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board/ Nomination & Remuneration Committee in accordance with the provisions of the plan and in due compliance with the applicable laws and regulations in force.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, sub-division and/or consolidation of shares, or such other event, the Board / the Nomination & Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure the implementation of the plan and ensure fair and equitable benefits under the Plan are passed on to the eligible employee(s) and that the Nomination and Remuneration Committee will also act as the Compensation Committee for effective administration and implementation of the Plan.”

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two Only) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees."

"RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorized to make from time to time such modification, variations, alterations or revisions in the said Plan as it may deem fit provided such variation is not prejudicial to the interests of the employees and in conformity with the provisions of the Companies Act, 2013, SEBI (SBEB) Regulations and other applicable laws."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint merchant banker, solicitors, professional firms and legal consultants or such other persons, as may be required, for implementation of the Plan, and to obtain in-principle approval, listing & trading approvals from Stock Exchanges and to settle all questions arising out of or incidental thereto."

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

Approval for adoption of Somany Ceramics Employee Stock Option Plan 2023 and grant of stock options to the Eligible Employees/ Directors of group companies including Subsidiary or Associate Companies under the Plan.

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions of the Companies Act, 2013, if any, read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter referred to as "SEBI (SBEB) Regulations"), Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations,

2015, as amended from time to time and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s), the approval of the Shareholders of the Company be and is hereby accorded to adopt the Somany Ceramics Employee Stock Option Plan 2023 (the "Plan" or "Scheme") and to authorize the Board of Directors of the Company [hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("Nomination & Remuneration Committee" which the Board has constituted to exercise its powers, including the powers, conferred by this resolution)] to create, offer, and grant from time to time such number of Employee Stock Options ("Options") within the limits prescribed under the Plan, to eligible employees working exclusively for the Group Companies including subsidiaries or associates whether working in India or out of India and to eligible Directors of Group Companies including subsidiaries or associates and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time, as may be decided by the Nomination & Remuneration Committee under the Plan, exercisable into such options as prescribed within the overall ceiling of not more than 12,74,226 (Twelve Lacs Seventy Four Thousand Two Hundred and Twenty Six) Options (i.e. 3% of the current fully paid up equity shares of the Company), as per the plan above, each Option giving the right but not the obligation to the holder to subscribe to one fully paid-up Equity Share in the Company, of face value of ₹ 2/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board / Nomination & Remuneration Committee in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations in force."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division, sub-division and/or consolidation of shares, or such other events, the Board/the Nomination & Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure the implementation of the Plan and ensure fair and equitable benefits under the Plan are passed on to the eligible employee(s) and that the Nomination and Remuneration Committee will also act as the Compensation Committee for effective administration and implementation of the Plan."

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.”

“RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Board/Nomination & Remuneration Committee be and is hereby authorized to make from time to time such modification, variations, alterations or revisions in the said Plan as it may deem fit provided such variation is not prejudicial to the interests of the employees and in conformity with the provisions of the Companies Act, 2013, SEBI (SBEB) Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint merchant banker, solicitors, professional firms and legal consultants or such other persons, as may be required, for implementation of the Plan, and to obtain in-principle approval, listing & trading approvals from Stock Exchanges and to settle all questions arising out of or incidental thereto.”

8. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

Approval for Material Related Party Transactions with M/s Sudha Somany Ceramics Private Limited (“SSCPL”).

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, if any, read with Rules framed there under, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions and in accordance with the provisions of any other applicable laws or regulations and such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed

by any authority(ies) while granting such approval(s), permission(s) and sanction(s), on recommendation of the Audit Committee and Board of Directors of the Company, the approval of the Shareholders of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee duly constituted / empowered by the Board, from time to time, to exercise its powers conferred by this resolution), to enter into and / or to carry out and / or continue to enter, carry out contracts / arrangements / transactions, whether by way of renewal(s) or extension(s) or modification(s) of earlier contract/ arrangements/transactions or otherwise and/or carrying out/ continuing with arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with M/s Sudha Somany Ceramics Private Limited (being a related party of the Company within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI(LODR) Regulations, 2015), which may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other materiality threshold, as may be prescribed from time to time subject to an amount of **₹ 35,000 Lakhs (Rupees Thirty Five Thousand Lakhs Only)**, to be entered during the 2023-24, subject to such contracts(s)/ arrangement(s)/ transaction(s) being carried out at arm’s length and in ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee, Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

9. 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.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above Resolution.”

By Order of the Board of Directors
For Somany Ceramics Limited

(Amrish Julka)

Place: Noida
Dated: 23.05.2023

Sr. General Manager (Legal) & Company Secretary
(M. No. F4484)

NOTES:

1. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto and forms part of the Notice. Information on Directors proposed to be appointed/reappointed at the Meeting as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India (“SS-2”) are provided in the **Annexure – A** to this Notice.
2. The Ministry of Corporate Affairs (“MCA”) *inter-alia* vide Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 02/2022 and 10/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January, 2021, 8 December 2021, 5 May, 2022 and 28 December, 2022 respectively, (“MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 12 May 2020, 15 January, 2021, 13 May, 2022 and 05 January 2023 respectively, (“SEBI Circulars”) have permitted holding of the AGM by corporates through Video Conferencing (“VC”) or through other audio-visual means (“OAVM”), without physical presence of the Members at a venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the forthcoming AGM of the Company will thus be held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 55th Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the said AGM through VC/OAVM is given below in the e-voting instructions.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the authorized e-Voting’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 serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, the facility to appoint proxy to attend and cast vote for the members is not available. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Notice calling the AGM has been uploaded on the website of the Company at www.somanyceramics.com.

The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
9. Members are requested to notify immediately the change of their name, postal address, email address, mobile number, PAN, Nomination and bank particulars to their DP if the shares are held by them in electronic form and to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Maheshwari Datamatics Private Limited if shares are held in physical form, as available on website of RTA at <https://mdpl.in/form.in> prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3 November, 2021. Further the shareholders are requested to submit duly filled form along with all necessary documents at the address of RTA at 23, R. N. Mukherjee Road, 5th

Floor, Kolkata-700001. Pursuant to the above referred SEBI Circular, in case any of the above cited documents/details are not available in the folio(s) on or after 1 April 2023, RTA shall be constrained to freeze such folio(s). To prevent fraudulent transactions, members are allowed to exercise due diligence and not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

10. Members having multiple folios in the same order of name(s) may inform the Company for consolidation into one folio.
11. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit the prescribed Form SH-13 to the RTA of the Company for nomination and Form SH-14 for cancellation/variation as the case may be. The forms are available on the website of the RTA i.e. www.mdpl.in/form. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contract or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection at the registered office of the Company at 2, Red Cross Place, Kolkata - 700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of AGM.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **19 August, 2023 to 25 August, 2023** for the purpose of the 55th Annual General Meeting.
14. (a) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the unpaid/unclaimed dividends upto the year 2014-15 has been transferred to Investor Education and Protection Fund ("IEPF"). Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with the provisions under the Companies Act, 2013 and rules made thereunder. Further, the unpaid/unclaimed dividend which was declared for the year ended 31 March, 2016 is due for transfer to IEPF on or after 6 October, 2023 in terms of the provisions of the said Act. The Company has also uploaded full details of such shareholders, whose dividend for seven consecutive years remained unclaimed, on its website www.somanyceramics.com.

- Members, who have not encashed their dividend warrant(s) for the financial year ended 31 March, 2016 or any subsequent financial year(s) are urged to claim such amount from the Company immediately.
- (b) 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 4650 Equity Shares of ₹ 2/- each to IEPF whose dividend has not been encashed for consecutive 7 years from 2014-15, 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 2015-16 will remain unencashed 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 20 April, 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 dividend in electronic mode. Further, pursuant to General Circular 20/2020 dated 5 May, 2020 read with General Circular 10/2022 dated 28 December, 2022 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 Registrar & 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 08 June, 2018 and Notification No. SEBI/LAD-NRO/ GN/2018/49 dated 30 November, 2018 amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides that from 1 April, 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 in compliance with the guidelines issued by SEBI from time to time.
 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 desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
 20. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 21. Members may also note that the Notice of this Annual General Meeting and the Annual Report of the Company for the year 2022-23 is also available on the website of the Company viz. www.somanyceramics.com
 22. The Financial Statements of the subsidiaries of the Company are not attached to the 55th Annual Report of the Company. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements along with related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website at <https://www.somanyceramics.com>. These documents will also be available for inspection at the registered office of the Company at 2, Red Cross Place, Kolkata - 700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of AGM.

23. The Board of Directors of the Company has appointed Mr. Akshit Kumar Jangid, Partner of M/s Pinchaa & Co., Company Secretaries, (Membership No. FCS 11285, CP No. 16300), as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner. Post receiving the Scrutinizer's report, the Company shall communicate the voting results within two working days from the conclusion of the Meeting to the Stock Exchanges. The results declared along with the Scrutinizer's report shall be placed on the website of the Company viz. www.somanyceramics.com.

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

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

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

- (i) The voting period begins on **21 August, 2023 at 9 a.m. and ends on 24 August, 2023 at 5 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **18 August, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Any person, who acquire 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.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register

again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin</p> <p>The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/</p>

Type of shareholders	Login Method
	<p>Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

(vi) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat accountor in the Company records in order to login.</p> <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.

- (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 for the relevant 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at 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.

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

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

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

1. For Physical shareholders- Members are requested to directly register their email id/update their PAN by visiting the link of the Company's Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Private Limited as given below:
 - Link for email registration - <http://mdpl.in/form>
 - Further the shareholders are requested to submit duly filled form along with all necessary documents at the address of R & T Agent at 23, R. N. Mukherjee Road, 5th Floor, Kolkata 700001.
2. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 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 toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The present term of Mr. Shreekant Somany (DIN: 00021423) ("Mr. Somany") as Chairman and Managing Director of the Company expires by efflux of time on 31 August, 2023.

Mr. Somany has exhibited exemplary leadership in establishing the brand as a prominent household name both in India and abroad. Under his astute guidance, the Company has emerged as a leading manufacturer of Tiles, Sanitaryware, and Bath fittings. Notably, he has pioneered a revolutionary 'VC SHIELD' technology, which has revolutionized the industry by significantly enhancing tile durability. This noteworthy achievement has made Somany Ceramics Limited the first Indian ceramic tile company to secure a patent under the Indian Patent Act.

His exceptional technical expertise has garnered recognition from esteemed organizations, including the prestigious American Ceramic Society, where he received the Corporate Technical Achievement award. He has also contributed significantly to various industry bodies, holding esteemed positions such as Founder & Past Chairman of the Confederation of Construction Products and Services (CCPS), Past Chairman of Indian Council for Ceramic Tiles and Sanitaryware (ICCTAS), and Past Chairman of the Confederation of Indian Industry Northern Region. Additionally, he served as the Past President of the Indian Ceramic Society and is an active member of the CII National Council. He also served as the Chairman of the CII National SME Council. He is presently the Chairman of CII Centre of Excellence for Competitiveness for SMEs.

Under his visionary leadership, Somany Ceramics Limited has excelled, driven by innovation and a commitment to excellence.

Having regard to the long association of Mr. Somany with the Company and taking into account his wide experience over 50 years and vast knowledge in Ceramic Industry, the Board of Directors at its meeting held on 23 May, 2023 has re-appointed Mr. Somany, as Chairman and Managing Director of the Company, not liable to retire by rotation, for a further period of 5 (Five) consecutive years commencing from 1 September, 2023 to 31 August, 2028 to continue to avail services on his valuable experience and expertise in the best interest of the Company.

As, Mr. Somany is aged about 74 years and pursuant to Section 196 of Companies Act, 2013, no Company shall appoint or continue the employment of any Managing Director who has attained the age of 70 years without approval of shareholders by passing a Special Resolution.

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 % 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 % 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 Mr. 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;

S. No	Particulars	Mr. Shreekant Somany (DIN: 00021423) ("Mr. Somany") as Chairman and Managing Director
1	Period of Re-appointment	5 (Five) consecutive years commencing from 1 September, 2023 to 31 August, 2028.
2	Remuneration *	Mr. Somany (hereinafter referred to as "the appointee") shall, in consideration of his services, be entitled to the following remuneration by way of:
	A Salary	₹ 25,00,000/- (Rupees Twenty Five Lakhs Only) per month.
	B House Rent Allowance	₹2,00,000/- (Rupees Two Lakhs Only) per month.
	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	The appointee will be entitled to the following perquisites in addition to his salary, house rent allowance and commission.

* The Board may consider and grant an annual increment at its discretion, as may be recommended by the Nomination and Remuneration Committee.

He will be entitled to the following perquisites in addition to his salary, house rent allowance and commission, subject to overall limit laid down in Schedule V to the Companies Act, 2013. 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 him and his family including Hospitalization, 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 5 (five) months' salary over a period of 5 years, as the case may be.

Leave travel concession:

To him and his family once in a year, subject to the ceiling of one month salary.

Club fee:

Fees of club's subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal accident insurance:

To the appointee, 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 the appointee.
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 him. He 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.

Overall remuneration:

Subject to an overall limit of 5% of the net profit individually and 10% of the net profit collectively payable to him by the Company, as calculated in accordance with Section 197 and other applicable provisions read with Schedule V to the said Act, as may be for the time being in force.

Sitting fee:

He shall not so long as he acts as Chairman and 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 the appointee 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 the appointee by being delivered either personally to him or left for him at his addresses last known to the Company or sent by registered post or e-mail addressed to him and in the case of Company by being delivered at or sent by registered post addressed to its Registered Office or by e-mail at corporateaffairs@somanyceramics.com any such notice if so posted shall be deemed served on the day following that on which it was posted except in case of e-mail.

Memorandum of interest:

None of the Directors, relatives or Key Managerial Personnel other than Mr. Shreekant Somany (DIN: 00021423) and Mr. Abhishek Somany (DIN: 00021448) who are relatives of each other may be deemed to be interested and/or concerned in the Special Resolution set out under Item No. 4 of the said Notice.

Inspection of documents:

The draft of the proposed Agreement to be entered into between the Company and the appointee shall be available for inspection at the

registered office of the Company at 2, Red Cross Place, Kolkata - 700001, India between 3:00 p.m. and 5:00 p.m. in working days till the date of AGM.

Disclosure relating to Directors pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings are given under **Annexure A** of the Notice.

The Board recommends the special resolution set forth under Item No. 4 for the approval of members as a Special resolution.

Item No. 5

Mr. Vineet Agarwal (DIN: 00380300) was appointed as Independent Director on the Board of your Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and relevant regulations of SEBI (LODR) Regulations, 2015 with the stock exchanges, by the Shareholders at 51st Annual General Meeting held on 19 August, 2019 for a period of 5 years i.e. from 1 May, 2019 upto 30 April, 2024 ("first term" in accordance with the explanation to section 149(10) and 149(11) of the Act).

Brief details are mentioned below:

Mr. Vineet Agarwal (DIN: 00380300), a dynamic individual aged around 49 years, who holds a prestigious degree from Carnegie Mellon University and an esteemed education from Harvard Business School.

Currently serving as the Managing Director of Transport Corporation of India Limited, Mr. Agarwal is a prominent figure in the industry. His influential role extends beyond his Company as he serves as the Past President of ASSOCHAM and holds the esteemed position of founding National President of the Young Leaders Council at the All India Management Association.

He has served as a director on the international board of the Young President Organization (YPO). He has been actively involved in various non-government organizations, particularly in creating AIDS awareness programs and establishing skill development centres across the country. His commitment to social causes has garnered recognition, as he was honoured with the Young CEO of the Year award by CEO magazine in 2014. In 2017, the Government of India recognized his entrepreneurial prowess by nominating him as one of the 200 young entrepreneurs under the 'Champions of Change' initiative.

Furthermore, his exceptional leadership earned him the prestigious CEO of the Year 2018 award from the Indian Institute of Material Management.

Mr. Agarwal's journey is marked by his multifaceted contributions to the corporate realm, social causes, and his relentless pursuit of excellence. His ability to drive positive change and lead with distinction makes him an inspirational figure in the business landscape.

The Nomination and Remuneration Committee at its meeting held on 23 May, 2023 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Agarwal during his tenure, has recommended to the Board that continued association of Mr. Agarwal as Independent Director of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Directors, the Board recommended the re-appointment of Mr. Agarwal, as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years on the Board of the Company commencing from 1 May, 2024 upto 30 April, 2029.

Copy of the draft letter of appointment of Mr. Agarwal setting out terms and conditions of appointment is available for inspection by the Members at the Registered office of the Company between 3:00 p.m. to 5:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of this Annual General Meeting (AGM).

Mr. Agarwal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as an Independent Director. The Company has received declaration from Mr. Agarwal stating that he meets the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Agarwal fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and he is independent of the management.

Save and except Mr. Agarwal and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out under Item No. 5 of the accompanying Notice.

The Board recommends the Special Resolutions set out under Item No. 5 of the accompanying Notice for approval of the Members.

Disclosure relating to Directors pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings are given under **Annexure A** to the Notice.

Item No. 6 & 7

Stock Options have long been recognized internationally as an effective instrument to align the interest of employees with that of the Company and its shareholders, providing wealth creation opportunities to employees linked to value creation, retain best performing and critical talent, and reward tenured employees for their past contribution. It creates a sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall Shareholders value.

On recommendation of the Nomination & Remuneration Committee and approval of the Board, the Company seeks approval of the Shareholders in respect of Somany Ceramics Employee Stock Option Plan 2023 (the "Plan" or "Scheme") and grant of Employee Stock Options ("Option") to the eligible Employees/Directors of the Company and its subsidiary(ies) and associate(s), as may be decided by Board and / or the Nomination and Remuneration Committee ("Committee") from time to time in due compliance with Companies Act, 2013 (including rules framed thereunder), Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [hereinafter referred as "SEBI (SBEB) Regulations"] and other applicable laws and regulations.

The main features of the Plan are as under:

a) Brief Description of the Plan:

The objective of the Plan is to align the interest of employees with that of the Company and its shareholders, provide wealth creation opportunities to employees linked to value creation, retain best performing and critical talent, and reward tenure employees for their past contribution. The Company views employee stock options as instruments that would enable the Employees to share the value they would create and contribute for the Company in the years to come.

b) Total number of Options to be offered and granted:

The total number of Options will not exceed 12,74,226 (Twelve Lacs Seventy Four Thousand Two Hundred and Twenty Six) Options (i.e. 3% of the current fully paid up equity shares of the Company), which will be available for grant to eligible employees/ Directors of the Company under the Plan. Each option (after it is vested) will be exercisable for one Equity share of ₹ 2/- (Rupees Two only) each fully paid-up. Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise would be available for being re-granting at a future date.

In case of any corporate action(s) such as rights issue, bonus issue, merger, sub-division, consolidation, sale of division or such other event, a fair and reasonable adjustment shall be made to the options granted.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Plan:

The following employees would be entitled to participate in the Plan:

- an employee* as designated by the Company, who is exclusively working in India or outside India**;
- a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group;
- An employee as defined in clause (a) or (b) of a group company including Subsidiary(ies) or its Associate Company(ies), in India or outside India, or of a holding company of the Company.

Following persons are not eligible:

- An employee who is a Promoter or belongs to the Promoter Group;
- a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- an Independent Director

* contractual employees are also eligible to receive benefits under the Share Based Employee Benefits schemes provided they are designated as employees by their employers and are exclusively working with such company or its group company including subsidiary or its associate company or its holding company.

** "exclusively working in India or outside India" means any employee who is exclusively working with such company, irrespective of whether such person is employed either in India or outside India.

The Nomination & Remuneration Committee will determine the specific employees or class of employees who will be eligible for award of stock options based on the performance criteria and such other criteria as may be decided.

d) Transferability of Employee Stock Options:

The Option shall not be transferable or assignable by the Employee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only

by him/her or, during periods of legal disability, by his/her legal representative/inheritor. No Option shall be subject to execution, attachment or similar process. The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. If the Option right owner tries to transfer or abandon or dispose of the option right or the rights relating thereto whether voluntarily or obligatorily, the said right(s) shall expire immediately.

e) Requirements of vesting and period of vesting:

The minimum vesting period shall be at least 1 (one) year from the date of grant. Vesting of the options shall take place over a maximum period of 7 (seven) years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organizational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest.

In the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

f) Maximum period within which the Options shall be vested:

Vesting of the options shall take place over a maximum period of 7 (seven) years from the date of grant.

g) Exercise price or pricing formula:

The exercise price shall be decided by the Nomination & Remuneration Committee in line with the SEBI (SBEB) Regulations and other applicable laws and regulations. The Exercise price shall not exceed the fair market value as on the date of Grant and shall not be below the Face Value of the share.

h) Exercise period and the process of Exercise:

The Exercise period shall commence from the date of Vesting of Options. The Exercise period shall be decided by the Nomination & Remuneration Committee subject to a maximum period of 7 years from the date of Vesting of options.

The options shall be exercisable by the employees by a written application or through any mode as may be prescribed by the Nomination & Remuneration Committee, to the Company to exercise the options in such manner, and on execution of

such documents, as may be prescribed by the Nomination & Remuneration Committee.

i) Appraisal process for determining the eligibility of employees under the Plan:

The appraisal process for determining the eligibility of the employee will be specified by the Nomination & Remuneration Committee and may be based on criteria such as seniority of employee, length of service, past performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the Nomination & Remuneration Committee.

j) Maximum number of Options to be offered and issued per employee and in aggregate:

The Nomination & Remuneration Committee will decide the maximum number of options to be granted per employee and in aggregate, subject to applicable laws. The maximum number of Options that may be granted by the Company under the Plan shall not exceed 12,74,226 (Twelve Lacs Seventy Four Thousand Two Hundred and Twenty Six) Options (i.e. 3% of the current fully paid up equity shares of the Company).

k) Maximum quantum of benefits to be provided per employee under the plan:

Any benefit other than grant of options or consequential issue of equity shares is not envisaged under this plan. Accordingly, the maximum quantum of benefits for employees under this plan will be the difference between the market value of Company's equity share on the recognized stock exchange as on the date of exercise of options and the exercise price paid by the employee.

l) Whether the plan is to be implemented and administered directly by the Company or through a trust:

The Plan will be implemented by the Company directly.

m) Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Plan will involve issue of new shares by the Company and will not involve any secondary acquisition.

n) The amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not Applicable.

o) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan:

Not Applicable.

p) Statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15:

The Company shall conform to the accounting policies specified in Regulation 15 of SEBI (SBEB) Regulations amended from time to time.

q) Method of Option Valuation:

Fair Market Value Method will be used for Option valuation. The Fair Market Value, as of any specified date, means the latest available closing price, prior to the date of the meeting of the Board of Directors/Nomination & Remuneration Committee, as the case maybe in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed. As the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume during the aforesaid period shall be considered.

r) Period of lock-in:

The shares arising out of exercise of vested options under the Plan would not be subject to any lock-in-period after such exercise, except if any lock-in is required pursuant to applicable laws and the Plan.

s) Terms & conditions for buyback, if any, of specified securities covered under these regulations:

The Nomination & Remuneration Committee/Board to specify the procedure and other terms and conditions for buy-back of options granted, if to be undertaken at any time by the Company, in compliance with applicable laws and the Plan.

In terms of provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders is being sought by way of Special Resolution(s) set out at Item No. 6 and 7 of this Notice.

Further, pursuant to the provisions of the SEBI (SBEB) Regulations, a separate resolution is required to be passed if grant of options is extended to the Employees of the Subsidiaries and/or Associates. Accordingly, a separate resolution under item no. 7 is proposed, to extend the benefits of the Plan to the Employees of Subsidiary(ies) and

Associate Company(ies) as may be decided by the Board from time to time under applicable laws.

The Board recommends the resolutions set out at item nos. 6 and 7 of this Notice to the Members for their consideration and approval by way of passing Special Resolution.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in any way concerned or interested in the resolutions except to the extent of equity shares held by them in the Company or the Stock Options to be granted under the Plan to them by the Company.

Item No. 8

Sudha Somany Ceramics Private Limited ("SSCPL") a Subsidiary Company of Somany Ceramics Limited ("The Company" or "SCL") is a Related Party as defined under Section 2 (76) of the Act read with Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 ("Listing Regulations") as amended as on date.

The Company is engaged in the business of manufacturing and sales of ceramic tiles. The Company in its ordinary course of business and on arms' length basis, enters into contracts/ agreements/ arrangements for purchase of ceramic tiles from the Joint ventures/Subsidiaries. These activities have been essential for the Company to carry out its business operations and maximize its growth and performance.

The Company estimates that transactions of above nature will be recurrent in each year in the future course of Company's business and are estimated to exceed the materiality threshold limit of 10% of annual consolidated turnover of the company during the year ended 31 March, 2024, pursuant to Regulation 23(1) of the Listing Regulations.

Considering the historical levels of such transactions, anticipated business transactions and business environment and as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company for an aggregate value of an amount not exceeding investment in securities, **₹ 35,000 Lakhs (Rupees Thirty Five Thousand Lakhs Only)** for investment in securities, sale/purchase of goods, transfer/receipt of products, Inter Corporate Deposits ("ICDs"), interest paid/receipt, availing and rendering of services, rent paid/rent receipt, corporate guarantee, reimbursements, sale/purchase of fixed assets or other obligations for the Financial Year 2023-24.

DETAILS OF THE PROPOSED RPTS INCLUDING THE SUMMARY OF INFORMATION PROVIDED BY THE MANAGEMENT TO THE AUDIT COMMITTEE FOR APPROVAL OF THE PROPOSED RPTS, INFORMATION REQUIRED TO BE DISCLOSED IN THE EXPLANATORY STATEMENT PURSUANT TO THE SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 DATED 22 NOVEMBER, 2021, ARE AS FOLLOWS:

Sudha Somany Ceramics Private Limited ("SSCPL") is a Subsidiary of the Company in which Somany Ceramics Limited holds 60% and M/s. ER Ceramics Private Limited holds 40% of total paid up Share Capital.

The Company and SSCPL have entered into/propose to enter into the following RPTs during 2023-24, for an aggregate value not exceeding investment in securities, ₹ **35,000 Lakhs (Rupees Thirty Five Thousand Lakhs Only)**. The transaction involves investment in securities, sale/purchase of goods, transfer/receipt of products, Inter Corporate Deposits ("ICDs"), interest paid/receipt, availing and rendering of services, rent paid/rent receipt, corporate guarantee, reimbursements, sale/purchase of fixed assets or other obligations and transactions for business purpose from/to SSCPL during 2023-24. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs is approximately 14%.

The proposed transactions are at arms' length basis and are being done in the ordinary course of business. The Company is engaged in the business of manufacturing and sales of ceramic tiles. The Company in its ordinary course of business and on arms' length basis, enters into contracts/ agreements/ arrangements for purchase of ceramic tiles from the Joint ventures/Subsidiaries. These activities have been essential for the Company to carry out its business operations and maximize its growth and performance.

The valuation and pricing of the proposed RPTs have been carried out by the Internal Management of the Company which was noted by the Audit Committee of the Company. For the proposed transactions no valuation or external reports were required. All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.

Details of the source of funds in connection with the proposed transaction.	Own share capital / Internal accruals and liquidity of the Company.
Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure.	Not applicable.
Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Inter-corporate Deposits given / to be given / recoverable / recovered / to be recovered aggregating to ₹ 6832.50 Lakhs: <ul style="list-style-type: none"> • Tenure: upto 10 Years. • Interest rate: 9% - 12%; linked to the Company's short-term borrowing cost. • Repayment Schedule: Not Applicable. • The above inter-corporate deposits are under unsecured category.
The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet working capital requirements and other business needs from time to time.

None of the Directors, Key Managerial Personnels ("KMPs") and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned under Item No. 8 of the Notice except to the extent of his/her holding directorship / KMP position and shareholding in the Company and SSCPL.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth under Item No. 8 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth under Item No. 8 of the Notice, whether the entity is a Related Party to the particular transaction or not.

Item No. 9

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 23 May, 2023 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 under Item No. 9 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 nonconvertible 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. Previous resolution passed at the AGM held on 23 September, 2022 was valid for one year, hence fresh resolution is being proposed to be passed.

The Board accordingly recommends the Resolution set out under Item No. 9 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, financially or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

Annexure-A

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings;

Name of the Director	Mr. Shreekant Somany DIN: 00021423	Mr. Abhishek Somany DIN: 00021448	Mr. Vineet Agarwal DIN: 00380300
Age	74(+) years	51 (+) years	49 (+) years
Qualification	B.Sc.	Bachelor of Business Administration from Richmond University, U.K. with specialization in Finance & Marketing	Graduate from Carnegie Mellon University and Harvard Business School.
Experience	About 52 years	About 28 years	About 28 years
Terms and Conditions	As per explanatory statement.	As per the approval of Shareholders in their AGM held in the year 2022	As per explanatory statement
Remuneration sought to be paid	As per explanatory statement.	As per the approval of Shareholders in their AGM held in the year 2022	Commission & Sitting Fee as applicable from time to time.
Remuneration last drawn for the 2022-23 (₹ in Lakhs)	399.53	611.71	2.60
Date of first appointment on the Board	01/09/1992	03/09/2001	1/05/2019
Shareholding in the Company	119538 Shares	1933631* Shares	2034 Shares
Relationship with other Director, Manager and other KMP	Father of Mr. Abhishek Somany, Managing Director & CEO	Son of Mr. Shreekant Somany, Chairman & MD	None
Number of Board Meetings attended during the Year	4	4	3
Other Directorship Details	<ul style="list-style-type: none"> • SR Continental Limited • Shree Cement Limited • Somany Bathware Limited • JK Tyre and Industries Limited 	<ul style="list-style-type: none"> • Somany Bathware Limited • Indian Council of Ceramic Tiles and Sanitaryware 	<ul style="list-style-type: none"> • Transport Corporation of India Limited • TCI Express Limited • TCI Developers Limited • TCI-CONCOR Multimodal Solutions Private Limited • The Associated Chambers of Commerce and Industry of India • TCI Cold Chain Solutions Limited • National Skill Development Corporation • Loglabs Ventures Private Limited • Gloxinia Farms Private Limited • Transystem Logistics International Private Limited • TCI Institute of Logistics • YPO Capital's Chapter Association

Membership/ Chairmanship of Committees of other Boards	<p>Shree Cement Limited:</p> <p>i. Nomination and Remuneration Committee-Member</p> <p>ii. Audit Committee-Chairman</p> <p>JK Tyre and Industries Limited:</p> <p>i. Stakeholders Relationship Committee-Member</p> <p>ii. Audit Committee-Member</p> <p>iii. Risk Management Committee-Chairman</p>	-	<p>TCI Express Ltd.</p> <p>i. Audit Committee-Member</p> <p>ii. Share Transfer Committee-Member</p> <p>iii. Stakeholders' Relationship Committee-Member</p> <p>Transport Corporation of India Ltd.</p> <p>i. Risk Management Committee-Member</p> <p>ii. Share Transfer Committee-Member</p> <p>TCI Developers Ltd.</p> <p>i. Audit Committee-Member</p> <p>ii. Nomination & Remuneration Committee-Member</p> <p>iii. Stakeholders' Relationship Committee-Member</p> <p>iv. Share Transfer Committee-Member</p>
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* Out of 1933631 equity shares 1914093 equity shares are held as Karta of Abhishek Somany (HUF)

Note: Other details such as Brief Resume, nature of expertise, skill & capabilities of proposed appointee Directors are provided in the Explanatory Statement to the Notice and the Corporate Governance Report, forming part of Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Shreekant Somany
Mr. Abhishek 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. Sailesh Raj Kedawat

Sr. GM (LEGAL) & COMPANY SECRETARY

Mr. Ambrish Julka

BANKERS

Punjab National Bank
Kotak Mahindra Bank
HDFC Bank
ICICI Bank

STATUTORY AUDITORS

Singhi & Co.
Chartered Accountants

WEBSITE

www.somanyceramics.com

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.
Somany Piastrelle Pvt. 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.
Somany Max Pvt. Ltd.
Somany Bath Fittings Pvt. Ltd.
SRCL Buildwell Pvt. Ltd.

ASSOCIATE COMPANIES

Vintage Tiles Pvt. Ltd.
Acer Granito Pvt. Ltd.
Vicon Ceramic Pvt. Ltd.

REGISTERED OFFICE

2, Red Cross Place,
Kolkata- 700001

CORPORATE OFFICE

F-36, Sector 6, Noida (U.P)- 201301
Phone: 0120-4627900
CIN: L40200WB1968PLC224116

Disclaimer:

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



SOMANY

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