CERA

CSL/2019-20/156
June 28, 2019

BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street, Fort, Mumbai - 400001. Scrip Code :532443 Scrip ID: CERASAN	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai - 400051. Scrip Code: CERA

Dear Sir,

Sub.: Annual Report for the Financial year 2018-19 & Notice of 21st AGM.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of Annual General Meeting for the financial year 2018-19, which is being dispatched/sent to the members of the Company.

Kindly take the above on record.

Yours faithfully,
For Cera Sanitaryware Limited,

Narendra N. Patel
President & Company Secretary
Encl: as above

CERA

CERA SANITARYWARE LIMITED

Annual Report 2018-19


CERA


CERA

Board of Directors

Shri Vikram Somany	-	Chairman and Managing Director
Smt. Deepshikha Khaitan	-	Vice Chairperson (Non-Executive)
Shri Sajan Kumar Pasari		
Shri Lalit Kumar Bohania		
Shri Surendra Singh Baid		
Shri J. K. Taparia		
Ms. Akriti Jain		
Shri Ayush Bagla	-	Executive Director
Shri Atul Sanghvi	-	Executive Director & Chief Executive Officer

Bankers

State Bank of India

Auditors

N. M. Nagri & Co.,
Chartered Accountants,
'A' Block, 5th Floor, A-1 & A-2, Safal Profitaire, Opp. Prahlad Nagar Garden,
Near Hotel Ramada, Prahlad Nagar, Ahmedabad - 380 015.

Registered Office

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

Corporate Office

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

Works

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

Registrar & Share Transfer Agent

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

President & Company Secretary
Narendra N. Patel

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Annual General Meeting at 11.30 a.m. on Wednesday, the 31st day of July, 2019 at the Registered Office.

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of CERA SANITARYWARE LIMITED will be held at 11.30 a.m. on Wednesday, the 31st day of July, 2019 at the Registered Office of the Company at 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated financial statements of the Company for the year ended 31st March, 2019 including statement of Audited Profit and Loss and Cashflow Statement for the year ended 31st March, 2019, Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.

2. To declare dividend on Equity Shares.

3. To appoint a director in place of Shri Atul Sanghvi (DIN - 00045903), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, K. G. Goyal & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company, as per the recommendation of Audit Committee to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2020, be paid the remuneration of ` 90,000/- p.a. plus out of pocket expenses and applicable taxes, if any."

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

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

   "RESOLVED THAT Ms. Akriti Jain (DIN - 08259413), who was appointed as an additional director of the Company by the Board of Directors w.e.f. 1st November, 2018 in terms of Section 161 of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force read with Schedule IV to the Companies Act, 2013 to hold office for 5 (five) consecutive years for a term up to 31st March, 2024."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution:**

   "RESOLVED THAT approval of the members be and is hereby accorded in terms of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force for the appointment of and for the remuneration payable to Shri Ayush Bagla (DIN - 01211591) as "Executive Director" of the Company for a period of Three (3) years w.e.f. 14.05.2019 at a remuneration and other terms as mentioned in the explanatory statement annexed to this notice.

   RESOLVED FURTHER THAT Shri Ayush Bagla, Executive Director will be liable to retire by rotation and he ceased to be an Independent Director on being appointed as Executive Director.

   RESOLVED FURTHER THAT the Executive Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.

   RESOLVED FURTHER THAT total remuneration payable to Shri Ayush Bagla shall not exceed 5% of the net profit of the Company and total remuneration payable to all the working directors shall not exceed 10% of the net profit of the Company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force, if any, to the extend with necessary approvals.

   RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force, if any, to the extent with necessary approvals.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter and / or vary the terms and conditions of the said appointment in such a manner as it deem fit including the maximum remuneration payable to the Executive Director in terms of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force, if any, to the extent with necessary approvals."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution:**

   "RESOLVED THAT pursuant to Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s), modification(s), replacement(s), variation(s) or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013, approval of members of the company be and is hereby accorded for payment of commission of ` 50 Lakhs to

Smt. Deepshikha Khaitan (DIN - 03365068), Vice-Chairperson & Non-Executive Director, for the Financial year 2019-20, which may exceed 50% (fifty percent) of the total Commission that may be payable to all Non-Executive Directors of the Company for the financial year 2019-20.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient in this regard.

Regd. Office :	By Order of the Board of Directors
9, GIDC Industrial Estate,	**For Cera Sanitaryware Limited**
Kadi – 382 715	
Dist. Mehsana, Gujarat.	**Narendra N. Patel**
14th May, 2019	President & Company Secretary
CIN : L26910GJ1998PLC034400	(FCS: 3249)

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of total share capital of the Company.

2. Members are requested to notify immediately the change of address, if any, to the Company or MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company.

3. The Register of Members and Share transfer book of the Company will remain closed from Tuesday, 16th July, 2019 to Tuesday, 23rd July, 2019 (both days inclusive).

4. The Board of Directors has recommended a dividend of ` 13/- (260%) per fully paid equity share of ` 5/- each for the year ended 31st March, 2019.

5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.

6. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.

7. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.

8. The Company has transferred the unpaid/unclaimed dividends up to the financial year 2010-11 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Members who have not encashed their dividend warrants for the financial year 2011-12 onwards are advised to write to the Company immediately claiming dividends declared by the Company.

9. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, the Company has issued Newspaper advertisement on 05.07.2018 and Company has send individual notices to the shareholders on 27.06.2018 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, such shareholders' shares have been transferred to the Investor Education and Protection Fund on 02.11.2018.

   Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the IEPF Authority at www.iepf.gov.in.

   Such shareholders are requested to claim their unclaimed/unpaid dividend immediately.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.

11. Shareholders holding shares in Electronic Form may note that their bank account details as furnished by their depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such bank details. Shareholders who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account.

12. Annual Report 2018-19 along with notice of the AGM, Attendance Slip, Proxy Form and process instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of Annual Report are being sent through the permitted mode. Members who have not registered their email address are requested to get their email address registered with the Company / Depository Participants and update the same, if required. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.

13. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the Registered Office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.

14. Voting through electronic means:

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The members shall refer to the detailed procedures on e-voting attached herewith.

15. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

16. Members are required to vote only through the electronic system or through ballot at Annual General Meeting only and in no other form. In the event a member cast his/her votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.

17. The remote e-voting period commences on Sunday, 28th July, 2019 (10:00 a.m.) and ends on Tuesday, 30th July, 2019 (5:00 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 of Wednesday, 24th July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

18. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 24th July, 2019. A person other than member on cut-off date should treat this notice for information only.

19. A member may participate in the Annual General Meeting even after exercising his right to vote through e-voting but shall not be allowed to vote again.

20. Parikh Dave & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.

21. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

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

23. Shri Narendra N. Patel, Compliance officer of the Company, 7th & 8th Floor, B Wing - "PRIVILON", Ambli BRTS Road, ISKCON Cross Roads, S.G. Highway, Ahmedabad – 380059 shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are E-mail: hemal.sadiwala@cera-india.com, Phone No.: 079-49112222.

24. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID. and Client ID. for identification.

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

Name of Director	Shri Atul Sanghvi	Ms. Akriti Jain	Shri Ayush Bagla
DIN	00045903	08259413	01211591
Date of Birth	16.05.1962	27.06.1986	10.09.1973
Date of Appointment	01.04.2014	01.11.2018	18.04.2018
Brief Resume and Nature of expertise in specific functional areas	Manufacturing and Commercial	Legal Matters relating to Commercial and Corporate Laws	Finance and Financial Services
List of other Directorships	- Indian Council of Sanitaryware Manufacturers - Anjani Tiles Limited	NIL	- Seaside Real Estate Pvt Ltd - Paradigm Finance Ltd
Chairman / Member of the Committees of the Board of other Companies	NIL	NIL	NIL
Disclosure of relationship between Director Inter-Se	Not Related to any Director.	Not Related to any Director.	Not Related to any Director.
Shareholding in the Company	18	NIL	NIL
No. of Board meetings attended during the year 2018-19	5	1	4

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

Item No. 4

The Board of Directors on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31st March, 2020.

The Board of Directors recommends the ordinary resolution as per item No. 4 of the accompanying notice for approval of the members of the Company.

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

Item No. 5

The Board of Directors at its meeting held on 1st November, 2018 has appointed Ms. Akriti Jain as an Additional Director (Independent) of the Company w.e.f. 1st November, 2018 under section 161 of the Companies Act, 2013 and Article 137 of the Articles of Association of the Company. She is Master of Laws with Merit in Commercial & Corporate Law from University of London. She is Practicing Advocate and she is attached with C. K. Jain & Company, Solicitors and Advocates, Kolkata. She is having experience of more than 7 years in the fields of legal matters relating to Commercial & Corporate Laws, National Company Law Tribunal and Debt Recovery Tribunal etc.

She does not hold either by herself or by other persons any shares in the Company.

According to the provisions of Section 161 of the Companies Act, 2013, she will hold office as an Additional Director only up to the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Ms. Akriti Jain as Director.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Akriti Jain being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2024. Her appointment as an Independent Director is also approved and recommended by the Nomination and Remuneration Committee of the Company.

In the opinion of the Board, Ms. Akriti Jain fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director of the Company. She is independent of the management of the Company.

The Board considers that her experience and expertise would be beneficial to the Board and the Company and it is desirable to continue to avail the services of Ms. Akriti Jain as an Independent Director. Accordingly, the Board recommends the resolution as per item no. 5 of the accompanying notice for appointment of Ms. Akriti Jain as an Independent Director for passing by the members of the Company.

The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

Except Ms. Akriti Jain, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 5 of the notice.

Item No. 6

Shri Ayush Bagla was appointed as Independent Director of the Company for a period for five consecutive years for a term up to 31st March, 2023. Upon recommendation of the Nomination and Remuneration Committee, Shri Ayush Bagla has been appointed as Executive Director of the Company for a period of three (3) years w.e.f. 14.05.2019, by the Board of Directors at their meeting held on 14.05.2019 subject to the approval of members of the Company at the ensuing annual general meeting.

Shri Ayush Bagla will Look after Investors relations including concall to update investors / brokerages, co-ordination with institutional investors, attend and address analysts, regular interaction with fund managers, co-ordination with press, assist management team in future expansion, treasury, policies, capacity enhancement and legal matters. He will also discharge other duties and responsibilities as may be allocated to him by the Board of Directors and / or Chairman and Managing Director.

Shri Ayush Bagla, designated as Executive Director, shall discharge his duties and functions subject to the superintendence, direction and control of the Board of Directors and / or Chairman and Managing Director of the Company.

Shri Ayush Bagla, Executive Director shall be liable to retire by rotation.

However, Shri Ayush Bagla shall not exercise the powers as Executive Director, which are required to be exercised by the company in general meeting and / or by Board of Directors.

The principle terms and conditions of appointment of Shri Ayush Bagla, Executive Director are as follows:

1. **Period of Appointment:** Three (3) years w.e.f. 14.05.2019.
2. **Remuneration**
   - i) Basic Salary: In the range of ` 3,75,000/- to ` 6,50,000/- per month, w.e.f. 14.05.2019.
   - ii) Perquisites:

     Category – A

     a) Accommodation: Free furnished housing accommodation and / or house rent allowance as per rules of the Company.

     b) Medical benefit: Medical benefit / Medical Allowance including medical reimbursement and Mediclaim for self and family subject to one month's salary in a year or three months' salary over a period of three years or as per the rules of the Company.

     c) Leave Travel Concession: For self and family once in a year to and fro any place in India in accordance with the Rules of the Company.

     d) Club Fees: Annual fee of one club. This, however, will not include admission and life membership fee.

     e) Insurance: Personal Accident Insurance of an amount annual premium of which does not exceed ` 6,000/-.

     f) Bonus: As per rules of the Company as applicable to other executives/employees of the Company.

     g) Special Allowance: As may be decided by Board of Directors and / or the Chairman and Managing Director.

     h) Performance Incentive: As may be decided by Board of Directors and / or Chairman and Managing Director.

     Category – B

     a) Contribution to Provident Fund: As per the rules of the Company as applicable to other executives / employees of the Company.

     b) Gratuity: Gratuity payable in accordance with the Company's scheme thereof as applicable to other executives / employees of the Company.

     Category – C

     a) Free telephone facility at residence and a mobile telephone. Personal long distance calls on telephone will be billed by the Company to the appointee.

b) Free use of Car with driver for company's work only. The use of car for private purpose shall be billed by the Company to the appointee.

Others:

a) Executive Director is also entitled to the benefits as per the rules of the Company, which the other executives / employees of the Company are entitled to.

b) He will not be entitled to sitting fee for attending the meetings of the Board of Directors or Committee(s) thereof.

The Board or Committee thereof, in its absolute discretion will fix within the range stated above the remuneration payable to the Executive Director depending on his performance.

However, total remuneration payable to Shri Ayush Bagla shall not exceed 5% of the net profit of the Company and total remuneration payable to all working directors shall not exceed 10% of the net profit of the Company in any financial year, calculated in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof from time to time. In the event of absence or inadequacy of profit in any financial year during the tenure of his appointment, total remuneration payable shall not exceed the maximum limit prescribed under Schedule V of the Companies Act, 2013 and rules made thereunder or any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof from time to time, if and to the extent with necessary approvals.

3. The terms and conditions of the said appointment may be altered or varied from time to time by the Board as it may, in its discretion deem fit, including the maximum remuneration payable to the Executive Director in accordance with Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder or any amendments made thereafter in this regard from time to time.

4. If at any time Shri Ayush Bagla ceases to be a Director of the Company for any cause whatsoever, he will cease to be the Executive Director.

5. If at any time Shri Ayush Bagla ceases to be an Executive Director for any cause whatsoever, he will cease to be a Director of the Company, unless the Board of Directors decide otherwise.

6. Shri Ayush Bagla, Executive Director, may resign from the service of the Company by giving three months' notice in advance. Similarly, the Company has the right to terminate his service as Executive Director at any time by giving three months' notice in writing or salary in lieu thereof.

Appointment of Shri Ayush Bagla as Executive Director and remuneration payable to him is approved by the Nomination and Remuneration Committee by a resolution at the meeting held on 14.05.2019.

The Board of Directors recommends the Special resolution as per item No. 6 of the accompanying notice for approval of the members of the Company.

Except, Shri Ayush Bagla, none of your directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item no. 6 of notice. The disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as notes to this notice.

This explanatory statement shall also be regarded as a disclosure under any other Acts, Rules and Regulations.

Item No. 7

Pursuant to the approval of shareholders obtained at the AGM held on 27.07.2017, a sum not exceeding 1% p.a. of the net profit of the Company calculated as per section 198 of the Companies Act, 2013, be paid and distributed among the directors not in whole time employment of the company in such manner, as the Board of Directors may from time to time determine.

Further, pursuant to Regulation 17(6)(ca) inserted vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is effective from 1st April, 2019, consent of the members by way of special resolution is required every year, if the annual remuneration payable to a single Non-Executive Director in that year exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors taken together.

In view of the increased involvement of Smt. Deepshikha Khaitan, Vice-Chairperson and Non-Executive Director, in the affairs of the Company and her active role in the Production, Sales, Marketing, Legal etc. and her strategic advices to the Board of Directors on number of matters, Board of Directors has proposed to pay ` 50 Lakhs as commission to her for the F.Y. 2019-20, which may exceed 50% of the total commission that may be payable to all other Non-Executive Directors of the Company and thus it is necessary to take approval of the shareholders of the Company by the way of Special Resolution.

The Board of Directors recommends the Special Resolution as per Item no. 7 of the accompanying notice for the approval of the members of the Company.

Except, Shri Vikram Somany and Smt. Deepshikha Khaitan, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the said resolution as per item No. 7 of notice. Shri Vikram Somany is the father of Smt. Deepshikha Khaitan. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as notes to this notice.

This explanatory statement shall also be regarded as a disclosure under any other Acts, Rules and Regulations.

Regd. Office :	By Order of the Board of Directors
9, GIDC Industrial Estate,	**For Cera Sanitaryware Limited**
Kadi - 382 715	
Dist. Mehsana, Gujarat.	**Narendra N. Patel**
14th May, 2019	President & Company Secretary
CIN : L26910GJ1998PLC034400	(FCS:3249)

Procedure on e-voting

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Sunday, 28th July, 2019 (10:00 a.m.) and ends on Tuesday, 30th July, 2019 (5:00 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 Wednesday, 24th July, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders.

(iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	- Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Address Sticker.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company, please enter the member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for relevant Cera Sanitaryware Ltd. on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the log in password then enter the User ID and Image Verification Code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - "m-Voting" for e-voting. Shareholders may login to m-Voting using their e voting credentials to vote for the company resolution(s).

(xix) Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- 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 user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the log in should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Directors' Report

To
The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Accounts of your Company for the year ended 31st March, 2019.

Performance

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

(` in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before Depreciation and Taxes & Exceptional item	**20301.36**	17679.44
Deducting there from Depreciation of	**2284.83**	2235.76
Profit before Tax	**18016.53**	15443.68
Deducting there from taxes of:		
- Current Year	**6015.29**	5009.99
- Deferred Tax	**495.91**	408.54
Profit for the year	**11505.33**	10025.15
Add/Less: Other comprehensive Income (Net of tax)	**(103.68)**	(90.21)
Total Comprehensive Income for the year.	**11401.65**	9934.94

Transfer to Reserves

The Company has transferred a sum of ` 5857.61 Lakhs to General Reserve in the current year (previous year ` 6359.68 Lakhs).

Highlights / Performance of the Company

Turnover (Net of GST / Excise) of the Company for the year increased by 13.70% to ` 133943.49 Lakhs as compared to ` 117808.72 Lakhs previous year.

Profit before Depreciation and Taxes & Exceptional Items for the year increased by 14.83% to ` 20301.36 Lakhs as compared to ` 17679.44 Lakhs previous year.

Profit after Tax for the year increased by 14.76% to ` 11505.33 Lakhs as compared to ` 10025.15 Lakhs previous year.

Sanitaryware Unit

During the year, the Company continued with its dominant position in the Indian market place. The Company's plant continued to operate at an optimum mix of high capacity utilization and production of technologically complex products. The Company continues to capitalize on evolving consumer tastes by introduction of differentiated products and maximise the use of Company owned experience center which serve as a large format consumer touch point.

Your Company has been constantly upgrading its technology, increasing automation, upgrading consumer visible manufacturing processes via robotic glazing machines which help in evenness of glaze and also save glaze, your Company is now going in for further mechanization of casting. The Company developed 3D printing machines allow designs to be prototypes in a manner of weeks, facilitating quicker time to market of new designs.

Faucetsware Unit

The business has attained critical mass, the product offerings span most consumer tastes in price and design. In Faucetware manufacturing, continuous technology upgradation programs have enabled higher productivity and minimum human intervention in the manufacturing process. Commissioning of the *Zamac* plant, has substituted imported *zamac* handles. Your Company has now embarked on further mechnisation and automation of production process.

Launch of new prototypes many of which are launched as products with the help of 4 axis 3D printing and robotic grinding and polishing, your Company has been able to differentiate products based on design, finish and consumer preferences.

Bathware Unit

Yoour Company continued its aggressive launches. This year the Company launched water heaters, which have been well accepted in the market.

Senator by CERA

Your Company premium offering, Senator by CERA aimed at discerning customers has been received overwhelmingly in the market. Senator consists of Sanitaryware, faucets, mirrors and wellness.

JEET

JEET, your Company's sanitaryware range aimed at affordable segment, has been readied for relaunch.

ISVEA

The Italian luxury designer sanitaryware, ISVEA, launched by your Company, exclusively in India, has established with over 50 showrooms.

Modular Kitchens

Your Company entered modular kitchens market, with the launch of Senator Cucine, in CERA Style Studio in Kochi, in the presence of over 400 trade associates, developers and architects. Senator cucine is made to measure in Italy.

Tiles Unit

Your company had a megs launch of new range of tiles, which was witnessed by over 500 dealers and 200 architects from all over India. The event established CERA's supremacy in range and quality of tiles.

Apart from the existing JV with Anjani Tiles Limited in Andhra Pradesh, your Company also entered into a JV with Milo Tiles LLP in Morbi, thus helping it in reaching out to West, North and East markets.

Joint Ventures

During the year company has entered into a Joint Venture with Milo Tiles LLP (Earlier Crown Ceramics – an established production facility since 2015) at Morbi, Gujarat with 26% Equity amounting to ` 806 Lakhs for producing high end Glazed Vitrified Floor Tiles of 7000 Sq. Mtr. per day.

Packaging Unit

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

Polymer Unit

Your Company has entered into Joint venture for Polymer Products unit for manufacture of seat covers and cisterns with 51% Equity amounting to ` 370 Lakhs.

Dubai & Sharjah operations

As business conditions in the Gulf Countries have changed, so has the company's strategy. The focus of the company will be township projects sourced by the company's dealers, and the need to use the company owned Cera Sanitaryware Ltd FZC- Sharjah, UAE will no more be required.The Board of Directors at their meeting held on 14th May, 2019 have approved to discontinue the business operations of Cera Sanitaryware Ltd FZC- Sharjah, UAE.

Green Energy Unit

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

The installed capacity of Non-Conventional Energy unit of the company was 13.825 M.W, out of which a portion of 3.5 M.W Wind Power unit at Vill.Patelka and Vill.Lamba – Dist.Porbandar, Gujarat were sold due to completion of their useful life. The current installed capacity of Non-Conventional Energy unit of the Company stands to 10.325 M.W.

The non-conventional Wind and Solar Power has produced 188.27 lakhs KWH for captive use.

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

Conservation of energy

The Company has two sources of its main energy, viz. Natural Gas - GAIL and Sabarmati Gas Ltd., for operating its sanitaryware plant. The pricing of both sources differ, as GAIL sources gas from isolated wells in and around Cera's manufacturing facility, and is able to contract gas at a lower price over prevailing market pricing. Medium term contracts with these suppliers are renewed on a periodic basis. For energy conservation, the company has installed fuel efficient burners to control gas consumption and in addition to this, every effort is done to adapt any technological developments in energy conservation by the Company.

The second energy, viz. electricity, required for running the machineries, is supplied by the local Discom. To compensate within the energy consumption by way of electricity, your Company has an installed capacity of Wind Turbines of 8.325 MW and 2.00 MW Solar Plant which generates about 90% of the requirements and gets offset against monthly consumption of the energy bill.

Technology absorption and foreign exchange earnings and outgo

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

Subsidiary Company

The Company has one Subsidiary Company namely Anjani Tiles Limited which became subsidiary of the Company w.e.f. 23rd November, 2015. It has started commercial production from 1st April, 2016. The Company has also two subsidiary LLP viz. Packcart Packaging LLP and Race Polymer Arts LLP. During the year Race Polymer Arts LLP was incorporated with 51% capital contribution by the Company for manufacturing of polymer products like seat cover, cistern, fittings and other products made from polypropylene (PP).

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiary.

The Company does not have any material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link https://www.cera-india.com/corporate/policy-for-determining-material-subsidiary/.

Those Shareholders who are interested in obtaining a copy of the audited annual accounts of the subsidiary may write to the Company.

In terms of provisions of sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1 attached herewith as a separate Annexure - IV to this Annual Report.

Particulars of contracts or arrangements with related parties

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

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

Corporate Social Responsibility

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

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website i.e. www.cera-india.com

As required under Section 135 of the Companies Act, 2013 and to demonstrate the responsibilities towards Social upliftment in structured way, the Company has formed a Policy to conduct the task under CSR, during the year.

The report on Corporate Social Responsibility (CSR) Activities along with Annexure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as a separate Annexure - V.

Directors' Responsibility Statement

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

- that in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;

- that such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the Profit of the Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.
- that internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Managerial Remuneration and Employees

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

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

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

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

Corporate Governance and Management Discussion and Analysis

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

Business Responsibility Reporting

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

Number of Meetings of the Board

The Board of Directors, during the financial year 2018 - 19 duly met 5 times on 18-04-2018, 03-05-2018, 09-08-2018, 01-11-2018 and 29-01-2019 in respect of which meetings, proper notices were given, and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Extract of Annual Return

The details forming part of the extract of the annual return in Form No. MGT-9 is annexed herewith as a separate Annexure - VII, as per provisions of Section 92 of the Companies Act, 2013 read with Rules made thereunder.

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

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

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

Risk Management Policy

The Board has approved and implemented risk management Policy of the Company including identification and element of risks.

The Risk Management is overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details please refer to the Management Discussion and Analysis enclosed as separate Annexure - I to this report.

Pursuant to amendments in SEBI(LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Risk Management Committee on 29th January, 2019.

Audit Committee

The Company has constituted Audit Committee. For details please refer Corporate Governance Report attached as a separate Annexure - VIII.

Internal Control System and its adequacy

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

Dividend

Your Directors recommended a dividend of ` 13/- per share (260%) (Previous year ` 12/- per share (240%)) on 1,30,05,874 equity shares of ` 5/- each fully paid for the year ended 31.03.2019, to be paid subject to the approval of the members at the ensuing Annual General Meeting.

During the year, the unclaimed dividend pertaining to the financial year ending 2010-11 were transferred to the Investor Education and Protection Fund.

Share Capital

The paid-up Equity Share Capital as on 31st March, 2019 was ` 650.29 Lakhs. During the year under review the Company has not issued any shares.

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

During the year the Company has transferred 45,501 Equity Shares to Investor Education and Protection Fund, pursuant to the provisions of sections 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

Exchequer

The Company has contributed ` 17918 Lakhs to the exchequer by way of GST, excise duty, customs duty, service tax, income tax, VAT, sales tax and other fiscal levies.

Deposits

The Company has discontinued its Fixed Deposit Scheme from the Financial Year 2012-13. The Company has not accepted fixed deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. There have been no defaults in repayments of deposits or payment of interest thereon during the year.

Finance

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

Directors and KMP

Members at the Annual General Meeting held on 30-08-2018 have re-appointed Shri Sajan Kumar Pasari and Shri Lalit Kumar Bohania as Independent Directors of the Company to hold office for further period of five consecutive years for a term up to 31st March, 2024. Similarly, Shri J. K. Taparia was appointed as Independent Director at Annual General Meeting held on 27.07.2017 to hold office for five consecutive years up to 31.03.2022 (they will not retire by rotation). Shri Ayush Bagla and Shri Surendra Singh Baid were appointed as Independent Directors at the Annual General meeting held on 30.08.2018 to hold office for period of Five consecutive years upto 31.03.2023.

Ms. Akriti Jain (DIN: 08259413) was appointed as Additional Woman Director (Independent) on the Board of the Company w.e.f. 1st November, 2018 to hold office up to the ensuing Annual General Meeting. Ms. Akriti Jain is proposed to be appointed as Independent Director for five consecutive years at the ensuing Annual General Meeting of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities.

The Board of Directors has appointed Shri Ayush Bagla as Executive Director for a period of 3 years w.e.f. 14.05.2019, subject to approval of the members at the ensuing Annual General meeting. Upon appointment as Executive Director, Shri Ayush Bagla ceased to be Independent Director of the Company.

Shri Govindbhai P. Patel has resigned as Director of the Company w.e.f. 18th April, 2018. Shri S.C. Kothari has retired w.e.f. 1st April, 2019 as CEO of the Company. Your directors wish to place on record their appreciation for the contributions made by them to the Company.

Shri Atul Sanghvi has been appointed as Chief Executive officer of the Company and designated as Executive Director and Chief Executive Officer (ED & CEO) of the Company and considered as Key Managerial Personnel of the Company pursuant to section 203 of the Companies, Act, 2013. Shri Atul Sanghvi (DIN:00045903) is due to retire at the end of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

Board Evaluation

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

The performance of each of the Independent Director and Non-Independent Director (including the chairperson) was also evaluated by the Independent Directors at the separate meeting of Independent Directors of the Company.

Policy on Directors appointment and remuneration

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

Independent Directors

- Qualifications of Independent Director

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

- Positive attributes of Independent Directors

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

- Independence of Independent Directors

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

Other Directors and Senior Management

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

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

Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director / Whole Time Director(s) and non-executive directors) are attached as a separate Annexure - VIII to this Report.

Remuneration / commission from Holding or Subsidiary Company

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

Remuneration Policy

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

Auditors and their Observations

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

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

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

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

Cost Records and Cost Auditors

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

The Company has appointed K.G. Goyal & Co., as Cost Auditors for conducting cost audit for the year 2019-20.

Secretarial Audit

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed Umesh Parikh and Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year 2019-20.

The Secretarial Audit Report for the year 2018-19 given by Umesh Parikh and Associates, Company Secretaries in practice is annexed with this report.

The Company is complying with the applicable Secretarial Standards.

Insurance

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

Industrial Relations

The Company has successfully signed a Long-Term Settlement (LTS) under section 12(3) of Industrial Disputes Act,1947, for 4 years with workers Union on 4th August, 2017 which was due on 01st September, 2017. The LTS was signed in harmonious environment and without any labour unrest and loss of production. The next LTS will fall due on 01st September, 2021. The industrial relations in the Company's plant had been cordial and peaceful throughout the year.

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

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

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. The Company has received two complaints during the year under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were resolved. The Company has organized 2 workshops under the said Act during the year.

Material changes affecting financial position of the Company

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31st March, 2019 and the date of the Board's Report.

Change in nature of business

No changes have been made in nature of business carried out by the Company during the financial year 2018-19.

Orders passed by Regulatory Bodies or Courts

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

Vigil Mechanism

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

Appreciation

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

For and on behalf of the Board of Directors,
For Cera Sanitaryware Limited

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure - I to the Directors' Report

Management Discussion and Analysis

Your Company continued to be one of the fastest growing home solutions brands this year too, with its topline growth close to 14%, while the market was not in a buoyant state.

Your Company has taken several steps to continue its growth in the coming years as well.

Your Company continues to grow due to:

1. **Right product mix:**

   Your Company continuously introduces new products, develops newer design, and ensures that each of its business have a comprehensive product offering to cater to all product niche, both in design and price. Your Company is called a *total home solutions provider* - sanitaryware, faucets, tiles, wellness, mirrors, kitchen sinks, etc. This ensures that the customer gets everything under one roof.

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

   Your Company has been an innovator in the use of technology, automation and design. Indigenously developed 3D printing, robotic glazing, etc. are just a couple of such innovations.

3. **Cutting edge in designs:**

   Your Company constantly churns out innovative designs in Sanitaryware, faucets and tiles to provide refreshing styles to its customers.

4. **Constant brand promotion**:

   Your Company has always emphasized on continuous promotional activities to stay on top of mind of its customers. Apart from mass advertising through digital, television and print media, your Company also concentrated on in-shop branding and product display in dealers' and retailers' showrooms.

5. **Constant liaison**:

   Your Company constantly liaised with influencers like architects and interior designers. In addition to this, regular liaison was done with institutional customers like developers.

6. **Available for all segments**:

   Your Company offers products for all segments - starting with Isvea for exclusive luxury seekers, Senator for discerning premium buyers, CERA for mid & upper segment and Jeet for those seeking affordable products.

7. **Adding new categories**:

   Your Company entered three new segments this year - customised shower partitions, water heaters and modular kitchens - all of which have tremendous potential for growth in the coming years.

8. **Wide distribution**:

   Your Company's distribution network of over 14,000, including direct dealers and retailers, is one of key strengths. Your Company reaches almost every town, small or big, in the country.

9. **CERA Care**:

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

10. **Company Display Centres**:

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

11. **Manpower Training:**

    Your Company constantly imparts training to not only its own sales and service teams, but also to its dealers' and sub-dealers' salesmen.

    a) **Industry Structure and Developments**

    The industry structure remains unchanged. Your Company's brand pyramid is effectively present in all segments - from affordable to luxury.

    b) **Opportunities and Threats**

    The government's emphasis on affordable housing has provided a demand boost in the segment and the benefits have been accruing to the Company. Implementation of GST also helps your Company as it provides a level playing field in price sensitive products.

    Your Company's four - decades of brand promotion, distribution strength and product quality and consumer loyalty have ensured its market position.

    c) **Outlook**

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

    d) **Risks and Concerns**

    Any drastic change in Government policy may affect your Company.

    e) **Internal Control Systems and their adequacy**

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

    The system of internal control of the Company is adequate keeping in mind the size and complexity of your Company's business. Systems are regularly reviewed to ensure effectiveness.

    The internal auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report on the internal audit function, necessary corrective actions in the respective areas are taken and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the audit committee of the board.

f) Key Financial Ratios: (in times / %)

Sr. No.	Ratio	2018-19	2017-18
1.	Debtors Turnover	**5.60**	5.70
2.	Inventory Turnover	**3.80**	3.88
3.	Interest Coverage Ratio	**56.64**	30.48
	Efficient working capital management resulting in less utilisation of borrowings. No Commercial borrowing during the year.		
4.	Current Ratio	**2.21**	2.12
5.	Debt Equity Ratio	**0.56**	0.57
6.	Operating Profit Margin %	**13.65%**	13.39%
7.	Net Profit Margin %	**8.56%**	8.41%
8.	Return on Net Worth %	**16.43%**	16.57%

g) Financial performance with respect to operational performance is discussed in the main part of the Report.

h) Material Developments in Human Resources, Industrial Relations, Environment, Health & Safety

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

Your Company continues to invest in training and development of its employees and has been organizing various training programmes from time to time. CERA's manpower strength as on March 31, 2019 stands at 2587.

The Company is ISO 9001, 14001 and BS 18001 certified. Your Company is also a member of Indian Green Building Council (IGBC), promoted by Confederation of Indian Industry (CII).

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN : 00048827)

Annexure - II to the Directors' Report

Corporate Social Responsibility (CSR)

Empowering Society; Empowering Ourselves

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

Vidush Somany Education Programme

Education is an important prerequisite for the development of our communities. The youth holds the potential of bringing about fundamental changes in our society. This potential can be unleashed with proper educational facilities.

The Vidush **Somany Education Programme** was launched with the aim of empowering young students by facilitating basic education of high standards. With the support of Government schools, the Programme has been successful in benefitting nearly 1300 plus students in Kadi Town and Vill. Kundal , Mehsana district of Gujarat during the year. Understanding the need of the new generation of students, basic training in computer skills and other courses have been provided to primary schools in Kadi and surrounding areas.

An important aspect of this overreaching Programme is to facilitate and augment the basic formal education provided to students in Government schools. With the approval of District Education Officer (Primary), Mehsana District, the Programme holds special coaching classes for school students of classes from 3rd to 10th standard in Kadi and Kundal at no extra charges. The special classes are conducted within the school premises by qualified tutors supported under the Programme with an emphasis towards providing personal attention and hence limiting each batch to 30 students only. The special classes offer additional training to students in the subjects of Mathematics, Science, Social Science, English, Skill Development and Elementary Computer skills. Under the aegis of the Programme, five Municipal schools in Kadi and nearby village Kundal have been provided with about 125 computers and associated accessories like printers and mouse pads along with tables, chairs and stationery for providing quality education in basic computer skills to young students of primary classes. Conducted by qualified instructors appointed under the Programme, the computer education facilities are helping the students gain access to higher skills and knowledge opportunities. For encouraging education for girls, exclusive classes are also held for girl students from 7.30 am to 10.30 am & 3 pm to 4 pm, while classes for boys are held from 7.30 am to 9.30 am & 3 pm to 6.30 pm scattered in different locations. Facilitating the young students in all aspects including availability of stationary items, the Programme provides educational support and from the nutritional point of view as well by providing regular refreshments. On keeping light to the development of health & nutrition for young students, Cera arranged a Health Checkup Camp at Kadi for the children studying in our educational programme. Cera also arranged Health camp for adults.

During the financial year CERA has undertaken following projects:

- Supported Bhagyoday Hospital kadi in memory of Late Shri Vidush Somany for the welfare of poor and needy patients of Kadi & from nearby area.
- Contributed Rs.173 lakhs out of total committed ` 650 Lakhs towards construction of new engineering college named as "Vidush Somany Institute of Technology and Research" in the campus of "Sarva Vidhlaya Kelavani Mandal". Kadi (SVKM) with a total capital outlay of ` 3111.00 Lakhs. This institute will conduct initially five branches of engineering, viz. Ceramic Technology, Computer Engineering, Information Technology, Civil and Mechanical Engineering. The new branches will be added after the year as per the guidelines of AICTE.
- Undertaken about 10000 plus plantation and maintenance on road divider about 11 K.M. from Chhatral to Kadi.
- Divyanagri project run by Brahmakumari's for upliftment of children from slum area. About 180 children have been the beneficiary of this project. Contributing for Snacks once in a week to 180 students. The training in respect of Hand art, Stitching work and other different skills are provided to 20 ladies and planning to setup self-help groups for Empowering Ladies.
- Continued the contribution to "Annamrita Foundation"- Kolkata, for providing mid-day meals to 2200 needy children daily.
- Contribution to Society for Integrated Development of Himalay as, Rotary Children's Welfare Trust, Environment Conservation Society for development of rural, upliftment of arts.
- Scholarship to the students of Kadi.
- Patronizing NGOs like Shreemad Rajchandra Aatma Tatva Research Centre for contribution for education of tribal children.
- Tied up with "Pramukh Swami Art & Science Collage for establishing Vocational courses on Ceramic Technology having capacity of 45 students. To make this course more effective, the plant visit, and other effective materials are made available to students.

The Programme also supports the children of Kadi workers in realizing their aspirations of higher education. Recognizing their potential and aspirations, the Programme has encouraged meritorious students of Kadi by offering education expenses for their higher education in the fields of Engineering, Medical and Pharma.

Cera has contributed the CSR activity for women empowerment at Vill. Kundal& Kadi location towards conducting stitching classes with well experienced professional tutor, sewing machines, materials and accessories. This year we have explored other women empowerment activities at Bhavpura location, Kadi like cooking, beauty parlor, hand embroidery, basic computer courses and making of low cost sanitary napkins through latest technology for distribution at free of cost to poor & needy ladies to improve their hygiene level. We have empowered 1050 plus women in these programmes. Currently 100 ladies are undergoing the empowerment activities aided through Cera.

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure - III to the Directors' Report

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Report of the Board of Directors for the year ended 31st March, 2019.

A. Energy Conservation

Discussed in main report

B. Technology Absorption

Externally added Silicaless Sanitaryware Body

Research and Development (R & D)

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

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

- Introduced Robotic Glazing in of our production. This gives us more controlled and uniform glaze coating on the sanitary ware as compared to manual glazing. Also this reduces our dependence on manual labour. We expect to further enhance the production through Robotic Glazing. These are the highly advance robotic systems with sophisticated control mechanism.
- New state-of-the-art R&D centre has been inaugurated in Kadi factory premises. The centre boasts of advance test equipment for material science and ceramic technology. This Centre of Excellence is designed to keep the R&D activity as a strategic initiative. This will help us keep at the forefront of innovations in the Sanitaryware Industry worldwide. This centre is DSIR, Govt. of India, approved.
- Continually innovating with our Glazes and in this line development of Dual Colour glazes applied over sanitary ware products, is a focus area. These have marked aesthetic appeal and imparts premium halo to the sanitary space. The Dual Colours can be offered in multiple choices and the tone of the colours can also be customized as desired. These along with anti-microbial glazes have potential to create new market space.
- Under the initiative of 'Waste Minimization and Waste Utilization', numerous measures have been started. This includes recycling of solid and liquid and ZLD (zero liquid discharge), high energy efficient rated machines, compliance to pollution norms, awareness-generation among employees etc.
- In keeping with our eco-friendly tradition, Cera has developed 04 litres flushing system with same effectiveness as 06 litres flushing system. By 30% reduction in water consumption, this technology will help to save precious water.
- We at Cera always strive towards growth with sustainable development and without caring for nature this is not possible. We have installed rooftop solar power system which is one of the largest in this region and will reduce carbon footprint to a great extent.
- Product Certifications: All our products are ITC (Institute for Testing and Certification, Czech Republic) certified. We have completed IAPMO (USA Certification Agency) for almost half of our products

and are in process to get more products under this certification. We have also started our product certification from SGS (Emirates Authority for standardization and Metrology).

2. Benefit derived as a result	:	With the introduction of new and cheaper raw materials from new sources and import substitution of raw materials, colors and other inputs, the cost of production is expected to reduce further.
3. Future plan of action	:	❖ Under our eco-friendly initiatives, we will improve energy input from renewable sources, mainly Solar Energy, which is already installed. We will also reduce our water dependence on state supply by recycling full water requirement of Manufacturing process. We will develop a fully functional rain water-harvesting system. We also plan to redesign our Glaze Spray system for maximum recovery and recycle of glaze. ❖ With a focus on automation, we will introduce more of Robots in our manufacturing process. We will ramp up the robotic glazing system and also introduce robotic system for plaster mould making. Further in our Casting Process we will introduce Automatic in casting department and also planned to maximize the out put and improve productivity. In our firing process we plan to introduce automatic gas pressure regulation system. In our final product quality, we will introduce automatic leakage detection test and overflow test. ❖ Build our capability and capacity to manufacture high value products. These products will have ergonomic and aesthetic designs, will be bigger in size and will have attractive appearance. Stain-free and anti-microbial coatings can also be applied. ❖ We will develop our manufacturing ability for more complex designs. In this regard, we have plan Bench to Battery conversions where efficiency and productivity is improved. The Battery Casting method is much more ergonomic and will have positive impact on workmen health. ❖ We have set-up a new R&D facility and we expect to develop on the basics such as Vendors for consistent raw materials, less crack-prone ceramic body, aesthetically appealing glazes, and better testing &analysing methods / tools.
4. Expenditure on R & D		
a) Capital	:	` 1.79 Lakhs
b) Recurring	:	` 129.71 Lakhs
c) Total	:	` 131.50 Lakhs
d) Total R & D Expenditure as a percentage of total turnover	:	0.10%

C. Foreign Exchange earnings and outgo

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

Total foreign exchange used	:	` 9586.54 Lakhs
Total foreign exchange earned	:	` 1405.85 Lakhs

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure - IV to the Directors' Report

Form AOC – 1

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

Statement containing salient features of the financial statement of subsidiaries / associate Companies / joint ventures

Part "A" : Subsidiaries

(` in Lakhs)

Sr.No.	Particulars	Details	Details	Details
1.	Name of the Subsidiary	ANJANI TILES LIMITED	PACKCART PACKAGING LLP	RACE POLYMER ARTS LLP
2.	Date since when Subsidiary was acquired	23.11.2015	24.06.2016	09.05.2018
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Period ending on 31st March, 2019	Period ending on 31st March, 2019	Period ending on 31st March, 2019
4.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
5.	Share Capital	1,000.00	178.00	724.49
6.	Reserves & surplus	222.75	(-) 14.41	(-) 1.86
7.	Total Assets	14,200.42	321.42	1132.11
8.	Total Liabilities (Including Sr.no. 5 & 6)	14,200.42	321.42	1132.11
9.	Investments	Nil	Nil	Nil
10.	Turnover	7,650.16	902.87	NIL
11.	Profit before Taxation	6.80	8.11	(-) 2.62
12.	Provision for Taxation	6.71	1.60	0.76
13.	Profit / Loss after Taxation	0.09	6.51	(-) 1.86
14.	Proposed Dividend	Nil	Nil	Nil
15.	Extent of Shareholding (in percentage) Equity	51%	Share 51%	Share 51%
	Preference	53.84%	-	-

Notes:

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

Part "B" : Associates and Joint Ventures

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

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

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

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany (DIN:00048827) Chairman and Managing Director
Deepshikha Khaitan (DIN:03365068) Vice Chairperson and Director
Sajan Kumar Pasari (DIN:00370738) Director
Lalit Kumar Bohania (DIN:00235869) Director
Surendra Singh Baid (DIN:02736988) Director
J. K. Taparia (DIN:07509049) Director
Akriti Jain (DIN:08259413) Director
Ayush Bagla (DIN:01211591) Executive Director
Atul Sanghvi (DIN:00045903) Executive Director & CEO

Annexure - V to the Directors' Report

Corporate Social Responsibility (CSR)

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

1. A brief outline of the Company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs : CSR policy of the Company is available at web link : http://www.cera-india.com/corporate/corporate-social-responsibilities-policy/
   Projects to be undertaken: Education, Health, Women empowerment.
2. The Composition of the CSR Committee.
   a. Shri Vikram Somany – Chairman
   b. Smt. Deepshikha Khaitan – Member
   c. Shri Atul Sanghvi – Member
   d. Shri J.K.Taparia – Member
3. Average net profit of the Company for last three financial years : ` 15,103.74 Lakhs
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)
   The Company was required to spend towards CSR. : ` 302.07 Lakhs
5. Details of CSR spent during the financial Year :
   a) Total amount to be spent for financial year : ` 306.83 Lakhs
   b) Amount unspent, if any : ` Nil
   c) Manner in which the amount spent during the financial year is detailed below : (` in Lakhs)

Sr. No.	CSR Project or Activity identified	Sector in Which the project is covered	Projects or Programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amt. outlay (Budget) project or programs wise	Amt. spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
1.	Scholarship to Meritorious Students; Educational Support	Promoting Education and enhancing vocational skills	Kadi, Kundal Kolkata (Gujarat & West Bangal)	229.50	226.53	226.53	Direct
2.	Medical Assistance; Health Camps and Yoga Facility Eradicating hunger	Eradicating hunger, poverty, Malnutrition, promoting health care and sanitation	Kadi Ahmedabad (Gujarat) & Kolkata (West Bangal)	37.50	37.52	37.52	Direct
3	Women Empowerment, Setting up Hostel	Empowering Women, setting up homes/ hostels for women, orphans and old age homes	Kadi (Gujarat) Kolkata (West Bangal)	22.00	22.00	22.00	Direct
4	Rural Development	Rural Development	Kadi (Gujarat)	18.00	17.78	17.78	Direct
5	Artwork development	Protection of National Heritage Art & Culture	Kolkata (West Bangal)	3.00	3.00	3.00	Direct
	TOTAL			**310.00**	**306.83**	**306.83**	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
   The Company has fully spent on various projects mentioned above.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.
   The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Atul Sanghvi
ED and CEO
(DIN:00045903)

Vikram Somany
Chairman-CSR Committee
(DIN:00048827)

Annexure - VI to the Directors' Report

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

Sr.No.	Particulars					
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Wholetime Directors				
		CMD	ED			
		40 X	20 X			
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.	Wholetime Directors		KMPs		
		CMD	ED	CEO	CFO	CS
		10%	10%	10%	10%	10%
iii.	The % increase in the median remuneration of employees in the financial year.	12.36%				
iv.	The number of permanent employees on the rolls of Company.	2587				
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The percentage increase in the salaries of the employees other than the managerial personnel in the last financial year is 10%-12.36% as against an increase of 10% in the salary of the chairman and managing director & executive director (Managerial Personnel as defined under the Act). Annual increase in remuneration is based on different grades, industry pattern, qualifications & experience, responsibilities shouldered and individual performance of managerial personnel and other employees.				
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the Company.				

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure - VII to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

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

I. **REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	L26910GJ1998PLC034400
ii)	Registration Date	:	17.07.1998
iii)	Name of the Company	:	Cera Sanitaryware Limited
iv)	Category / Sub-Category of the Company	:	Public Limited Company
v)	Address of the Registered office and contact details	:	9, GIDC Industrial Estate, Kadi 382715, Dist. Mehsana. Phone : (02764) 242329, 243000
vi)	Whether listed Company ? Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009. Phone No. : 079-26580462, Email ID : mcsstaahmd@gmail.com

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacturing and Outsourcing of Sanitaryware, Tiles, Bathroom accessories & products, Faucetsware	239 (NIC 2008)	100

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No.	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Anjani Tiles Limited Registered Office Address: Eguvarajupalem Village Chillakur Mandal Gudur, Andhra Pradesh- 524410	U26990AP2015PLC096439	Subsidiary	51% (Equity) 53.84% (Pref.)	2(87)
2	Packcart Packaging LLP Registered Office Address: Survey No. 226, Kadi Chhatral Highway Mouje : Budasan, Taluka:Kadi, Mehsana - 382715	AAG-1067	Subsidiary LLP	51%	2(87)
3	Race Polymer Arts LLP Registered office Address: Village - Balol, Mehsana-Bhecharaji Road Balol, Dist-Mehsana - 384410	AAM-5483	Subsidiary LLP	51%	2(87)

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

i) Category-wise Share Holding

	Category of Shareholders	No. shares held at the beginning of the year				No. shares held at the end of the year				% change during the Year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	2855203	0	2855203	21.95	2855203	0	2855203	21.95	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	4265436	0	4265436	32.80	4265436	0	4265436	32.80	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(1)	**7120639**	**0**	**7120639**	**54.75**	**7120639**	**0**	**7120639**	**54.75**	**0.00**
2	**Foreign**									
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individual	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total(A)(2)	0	0	0	0.00	**0**	0	**0**	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7120639**	**0**	**7120639**	**54.75**	**7120639**	**0**	**7120639**	**54.75**	**0.00**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds / UTI	1183737	500	1184237	9.11	1358619	500	1359119	10.45	1.34
(b)	Financial Institutions / Banks	5360	3200	8560	0.06	20278	1100	21378	0.16	0.10
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1057619	0	1057619	8.13	983515	0	983515	7.56	-0.57
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any Other (specify) - Foreign Body Corporate	351000	0	351000	2.70	351000	0	351000	2.70	0.00
	Sub-Total (B)(1)	**2597716**	**3700**	**2601416**	**20.00**	**2713412**	**1600**	**2715012**	**20.87**	**0.87**

	Category of Shareholders	No. shares held at the beginning of the year				No. shares held at the end of the year				% change during the Year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2	**Non-institutions**									
(a)	Bodies Corporate	902351	4550	906901	6.97	907115	1900	909015	6.99	0.02
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ` 1 lakh	1345113	313421	1658534	12.75	1363595	226584	1590179	12.23	-0.52
II	Individual shareholders holding nominal share capital in excess of ` 1 lakh	546937	0	546937	4.21	456654	0	456654	3.51	-0.69
(c)	Any Other (specify)									
I	Hindu Undivided Family	49265	400	49665	0.38	51035	250	51285	0.39	0.01
II	Non Resident Individuals	73271	1150	74421	0.57	73655	0	73655	0.57	-0.01
III	Trusts	4888	0	4888	0.04	2111	0	2111	0.02	-0.02
IV	IEPF	42473	0	42473	0.33	87324	0	87324	0.67	0.34
	Sub-Total (B)(2)	**2964298**	**319521**	**3283819**	**25.25**	**2941489**	**228734**	**3170223**	**24.38**	**-0.87**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**5562014**	**323221**	**5885235**	**45.25**	**5654901**	**230334**	**5885235**	**45.25**	**0.00**
	TOTAL (A)+(B)	**12682653**	**323221**	**13005874**	**100.00**	**12775540**	**230334**	**13005874**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**12682653**	**323221**	**13005874**	**100.00**	**12775540**	**230334**	**13005874**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	VIKRAM INVESTMENT CO. LTD.	2900275	22.30	0.00	2900275	22.30	0.00	0.00
2	MADHUSUDAN HOLDINGS LTD.	7500	0.06	0.00	7500	0.06	0.00	0.00
3	VIKRAM SOMANY	945847	7.27	0.00	945847	7.27	0.00	0.00
4	REKHA COMMERCIAL LTD.	532388	4.09	0.00	532388	4.09	0.00	0.00
5	TRISURE PROMOTIONS & TRADINGS LTD	484400	3.72	0.00	484400	3.72	0.00	0.00
6	SMITI SOMANY	1342240	10.32	0.00	1342240	10.32	0.00	0.00
7	SUVINAY TRADING & INVESTMENT CO. LTD.	259420	1.99	0.00	259420	1.99	0.00	0.00
8	VENUGOPAL HOLDINGS LTD	63388	0.49	0.00	63388	0.49	0.00	0.00
9	DEEPSHIKHA KHAITAN	339116	2.61	0.00	339116	2.61	0.00	0.00
10	GANGA SOMANY*	28000	0.22	0.00	0	0	0.00	(0.22)
11	POOJA JAIN SOMANY	200000	1.54	0.00	200000	1.54	0.00	0.00
12	MADHUSUDAN INDUSTRIES LIMITED	18065	0.14	0.00	18065	0.14	0.00	0.00
13	SHASHI KUMAR SOMANY*	0	0	0.00	28000	0.22	0.00	0.22
	TOTAL	**7120639**	**54.75**	**0.00**	**7120639**	**54.75**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	**7120639**	**54.75**	7120639	54.75
1	Smt. Ganga Somany*	(28000)	(0.22)	7120639	54.75
2	Shri Shashi Kumar Somany*	28000	0.22	7120639	54.75
	At the end of the year			**7120639**	**54.75**

* Late Smt. Ganga Somany, Promoter of the Company died on 6th January, 2018. Shri Shashi Kumar Somany became promotor of the Company w.e.f. 31.12.2018 by virtue of Transmission of Shares of Late Smt. Ganga Somany by inheritance.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	HDFC LIFE INSURANCE COMPANY LIMITED & HDFC LIFE INSURANCE COMPANY LIMITED - SHAREHOLDERS SOLVENCY MARGIN ACCOUNT*	636507	4.89	710851	5.47
	Purchase Cumulative holdings : 06/04/2018 - 666507, 20/04/2018 - 666507, 27/04/2018 - 686507, 25/05/2018 - 689489, 08/06/2018 - 687361, 30/06/2018 - 686622, 06/07/2018 - 687196 - 20/07/2018 - 689987, 27/07/2018 - 699954, 24/08/2018 - 703884, 31/08/2018 - 705463, 07/09/2018 - 709351, 14/09/2018 - 712875, 21/09/2018 - 714027, 28/09/2018 - 718664, 05/10/2018 - 731294, 19/10/2018 - 734394, 02/11/2018 - 734505, 09/11/2018 - 734976, 16/11/2018 - 743260, 23/11/2018 - 747809, 30/11/2018 - 749369, 07/12/2018 - 754324, 21/12/2018 - 754584, 04/01/2019 - 754692, 08/02/2019 - 756820 Sale Cumulative Holdings : 13/04/2018 - 659007, 04/05/2018 - 684088, 18/05/2018 - 679449, 01/06/2018 - 687359, 15/06/2018 - 686218, 26/10/2018 - 734299, 11/01/2019 - 754485, 25/01/2019 - 753746, 15/02/2019 - 754382, 22/02/2019 - 742071, 01/03/2019 - 741869, 08/03/2019 - 736869, 15/03/2019 - 733394, 22/03/2019 - 726869, 30/03/2019 - 710851				
2	FRANKLIN INDIA SMALLER COMPANIES FUND	204989	1.58	379355	2.92
	Purchase Cumulative holdings : 27/04/2018 - 214107, 04/05/2018 - 214989, 18/05/2018 - 254989, 25/05/2018 - 274989, 16/11/2018 - 324989, 22/02/2019 - 326411, 01/03/2019 - 379355 Sale Cumulative Holdings: NIL				
3	NALANDA INDIA EQUITY FUND LIMITED	371558	2.86	371558	2.86
	No Change				
4	DSP SMALL CAP FUND	330490	2.54	369590	2.84
	Purchase Cumulative holdings : 05/10/2018 - 333118, 12/10/2018 - 338066, 19/10/2018 - 349049, 22/03/2019 - 369007, 30/03/2019 - 369590 Sale Cumulative Holdings: NIL				
5	UTI - EQUITY FUND, UTI-UNIT LINKED INSURANCE PLAN, UTI-REGULAR SAVINGS FUND & UTI - INDIA LIFESTYLE FUND*	138922	1.07	334594	2.57
	Purchase Cumulative holdings : 27/04/2018 - 139951, 04/05/2018 - 196096, 18/05/2018 - 199096, 25/05/2018 - 205096, 01/06/2018 - 211096, 08/06/2018 - 216596, 15/06/2018 - 233265, 22/06/2018 - 249596, 30/06/2018 - 252596, 06/07/2018 - 254596, 13/07/2018 - 257096, 20/07/2018 - 263815, 27/07/2018 - 266815, 03/08/2018 - 272815, 17/08/2018 - 276815, 24/08/2018 - 281815, 14/09/2018 - 285815, 05/10/2018 - 296749, 26/10/2018 - 298749, 09/11/2018 - 319749, 21/12/2018 - 321749, 28/12/2018 - 326690, 11/01/2019 - 328657, 18/01/2019 - 332657, 08/02/2019 - 333657, 15/02/2019 - 334594 Sale Cumulative Holdings : 19/10/2018 - 293780, 25/01/2019 - 331657				
6	INDIA 2020 II INVESTORS, LIMITED	300868	2.31	300868	2.31
	No Change				
7	INDIA 2020 FUND II LIMITED *	171403	1.32	171403	1.32
	No Change				
8	VIJAY KEDIA	140000	1.08	140000	1.08
	No Change				
9	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND & ADITYA BIRLA SUN LIFE TRUSTEE PVT. LTD. A/C ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 6*	130082	1.00	101852	0.78
	Purchase Cumulative holdings : 06/04/2018 - 140082, 12/10/2018 - 99587, 30/11/2018 – 101042, 01/03/2019 - 101102, 08/03/2019 - 101852 Sale Cumulative Holdings : 27/07/2018 - 139965, 03/08/2018 - 135291, 10/08/2018 - 134191, 24/08/2018 - 127915, 31/08/2018 - 117915, 14/09/2018 - 107915, 28/09/2018 - 104287, 05/10/2018 - 99287, 26/10/2018 - 98587, 02/11/2018 - 96987, 09/11/2018 - 79887, 16/11/2018 - 74642				
10	IIFL FOCUSED EQUITY STRATEGIES FUND	88091	0.68	88091	0.68
	No Change				

* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Vikram Somany	945847	7.27	945847	7.27
2	Smt. Deepshikha Khaitan	339116	2.61	339116	2.61
3	Shri Sajan Kumar Pasari	236696	1.82	236696	1.82
4	Shri Lalit Kumar Bohania	0	0.00	0	0.00
5	Shri Jugal Kishore Taparia	0	0.00	0	0.00
6	Shri Atul Sanghvi	18	0.00	18	0.00
7	Shri Surendra Singh Baid	0	0.00	0	0.00
8	Shri Ayush Bagla	0	0.00	0	0.00
9	Ms. Akriti Jain	0	0.00	0	0.00
10	Shri S. C. Kothari*	6754	0.05	6754	0.05
11	Shri Rajesh B. Shah Purchased 20 shares off market	2	0.00	22	0.00
12	Shri Narendra N. Patel	0	0.00	0	0.00

*Shri S. C. Kothari retired as CEO w.e.f. 01.04.2019.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment				(` in Lakhs)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2434.63	0	0	2434.63
ii) Interest due but not paid	0.00	0	0	0.00
iii) Interest accrued but not due	0.00	0	0	0.00
Total (i+ii+iii)	2434.63	0	0	2434.63
Change in Indebtedness during the financial year				
Addition	0.00	0	0	0.00
Reduction	-615.27	0	0	-615.27
Net Change	-615.27	0	0	-615.27
Indebtedness at the end of the financial year				
i) Principal Amount	1819.36	0	0	1819.36
ii) Interest due but not paid	0.00	0	0	0.00
iii) Interest accrued but not due	0.00	0	0	0.00
Total (i+ii+iii)	1819.36	0	0	1819.36

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ or Manager:

(` in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Vikram Somany	Atul Sanghvi	
1	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	506.87	236.90	**743.77**
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	**0.00**
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	**0.00**
2	Stock Option	0.00	0.00	**0.00**
3	Sweat Equity	0.00	0.00	**0.00**
4	Commission			
	- as % of Profit	0.00	0.00	**0.00**
	- Others, specify as a % on sales	0.00	0.00	**0.00**
5	Others, specify (perq + PF)	63.09	14.97	**78.06**
	Total (A)	**569.96**	**251.87**	**821.83**
	Celling as per Act	**887.52**	**887.52**	**1775.04**

B. Remuneration to other directors: (` in Lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Sajan Kumar Pasari	Lalit Kumar Bohania	Jugal Kishore Taparia	Surendra Singh Baid	Ayush Bagla	Akriti Jain	
•	Fee for attending board / committee meetings	0.40	0.40	0.30	0.30	0.40	0.10	1.90
•	Commission	4.00	4.00	4.00	4.00	4.00	4.00	24.00
•	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	**4.40**	**4.40**	**4.30**	**4.30**	**4.40**	**4.10**	**25.90**
2	Other Non-Executive Directors				Smt. Deepshikha Khaitan			
•	Fee for attending board / committee meetings				0.50			0.50
•	Commission				4.00			4.00
•	Others, please specify				0.00			0.00
	Total (2)				**4.50**			**4.50**
	Total (B)=(1+2)							**30.40**
	Total Managerial Remuneration							**852.23**
	Overall Ceiling as per the Act							**1952.55**

C. Remuneration to key managerial personnel other than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total (` in Lakhs)
		CEO*	CS	CFO	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	399.63	56.10	95.43	551.16
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	0.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission				
	- as % of profit	0.00	0.00	0.00	0.00
	- others. specify...	0.00	0.00	0.00	0.00
5	Others, please specify (Perq + PF)	41.39	7.27	10.46	**59.12**
	Total	**441.02**	**63.37**	**105.89**	**610.28**

*Shri S. C. Kothari retired as CEO w.e.f. 01.04.2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure - VIII to the Directors' Report

CORPORATE GOVERNANCE REPORT

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

1) Company's Philosophy

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

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

2) Board of Directors

The Board comprises of a Chairman and Managing Director, a Vice Chairperson (Non-Executive), 2(two) Executive Directors and 5(five) Independent Directors.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

During the year,5(five)Board Meetings were held on 18.04.2018, 03.05.2018, 09.08.2018, 01.11.2018 and 29.01.2019.

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

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

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other directorship	No. of Other Committee Membership	Names of Listed entities where person is also director and category of Directorship
1.	Shri Vikram Somany	Chairman and Managing Director Promoter Director	5	Yes	1	—	—
2.	Smt. Deepshikha Khaitan	Vice Chairperson Non-Executive Promoter Director	5	Yes	3	—	—
3.	Shri Sajan Kumar Pasari	Non-Executive Independent Director	4	No	10	—	2 Listed Companies.*
4.	Shri Lalit Kumar Bohania	Non-Executive Independent Director	4	No	10	—	—
5.	Shri J. K. Taparia	Non-Executive Independent Director	3	Yes	1	—	—
6.	Shri Atul Sanghvi	Executive Director	5	Yes	2	—	—
7.	Shri Ayush Bagla#	Non-Executive Independent Director	4	No	2	—	—
8.	Shri Surendra Singh Baid	Non-Executive Independent Director	3	Yes	1	—	—
9.	Ms. Akriti Jain##	Non-Executive Woman Independent Director	1	—	—	—	—

#Appointed as Additional Directors-Independent w.e.f. 18th April, 2018. Independent Director upto 13th May, 2019 and Executive Director from 14th May, 2019

##Appointed as Additional Woman Director-Independent w.e.f. 1st November, 2018.

*The Chamong tea Co Ltd - Director (Non Executive Non Independent) and Assam Roofing Limited Director (Non Executive Non Independent)

Ms. Akriti Jain was appointed as Additional Woman Director (Independent) on the Board of the Company w.e.f. 01.11.2018 to hold office up to the ensuing Annual General Meeting. Necessary resolution has been proposed for her appointment for consecutive term of five years for the approval of the members at ensuring Annual General meeting.

The Board of Directors has appointed Shri Ayush Bagla as Executive Director for a period of 3 years w.e.f. 14.05.2019 subject to approval of the members at the ensuing Annual General meeting. Upon appointment as Executive Director, Shri Ayush Bagla ceased to be Independent Director of the Company.

Shri Atul Sanghvi has been appointed as Chief Executive officer of the Company and designated as Executive Director and Chief Executive Officer (ED & CEO) of the Company and considered as Key Managerial Personnel of the Company pursuant to section 203 of the Companies Act, 2013.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or byway of presentations and discussions during the meeting.

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

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

Skills / Expertise / Competence of the Board:

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess : 1. Commercial, 2. Finance, 3. Sales and marketing, 4. Technology, 5. Ceramic Industry, 6. General Administration and Human Resources and 7. Legal and Corporate Laws.

Performance Evaluation:

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

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

Independent Directors' Meeting:

During the year under review, the separate meeting of Independent Directors was held on 29.01.2019 inter alia, to discuss:

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

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

Prohibition of Insider Trading:

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

Code of Conduct

The Company has implemented model code of conduct for the Board members and senior Officers of the Company. The code of conduct has been posted on the website of the Company i.e. www.cera-india.com

Risk management

The Board of directors has framed, approved and implemented Risk Management policy of the Company including identification and element of risks and has also constituted risk management Committee. Risk Management Committee comprises Shri Vikram Somany (Chairman), Smt. Deepshikha Khaitan (Member), Shri Ayush Bagla (Member), Shri Atul Sanghvi (Member) and Shri Rajesh B. Shah (Member).

3) Audit Committee

The Audit Committee, consists of 6 (Six) directors, namely Shri J. K. Taparia-Chairman (Independent), Shri Vikram Somany, Shri Sajan Kumar Pasari (Independent), Shri Lalit Kumar Bohania (Independent), Shri Surendra Singh Baid (Independent) and Ms. Akriti Jain (Independent). During the year,4(four) Audit Committee Meetings were held on 03.05.2018, 09.08.2018, 01.11.2018 and 29.01.2019.

Shri Ayush Bagla, Shri Surendra Singh Baid (Independent) and Ms. Akriti Jain (Independent) were appointed as new committee members w.e.f.18.04.2018 and 01.11.2018 respectively.

Terms of reference

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

Details of no. of meetings and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Vikram Somany	4	4
Shri Sajan Kumar Pasari	4	3
Shri Lalit Kumar Bohania	4	3
Shri J. K. Taparia	4	3
Shri Ayush Bagla*	4	4
Shri Surendra Singh Baid	4	3
Ms. Akriti Jain	1	1

* ceased to be a member of the Committee w.e.f. 14.05.2019

4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, comprises of 5 (Five) directors namely, Shri Surendra Singh Baid (Independent) – Chairman, Shri Vikram Somany, Shri Lalit Kumar Bohania (Independent), Shri Sajan Kumar Pasari (Independent) and Shri J.K. Taparia (Independent).

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

The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as may be necessary. During the year under review, 4 (Four) Nomination and Remuneration Committee Meetings were held on 18.04.2018, 03.05.2018, 01.11.2018 and 29.01.2019. Details of no. of meetings and attendance there at is as under:

Name of Director	No. of Meetings	
	Held	Attended
Shri Surendra Singh Baid	3	3
Shri Vikram Somany	4	4
Shri Lalit Kumar Bohania	4	3
Shri Sajan Kumar Pasari	4	3
Shri J. K. Taparia	4	3
Shri Ayush Bagla*	3	3

* ceased to be a member of the Committee w.e.f. 14.05.2019

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

The committee recommends appointment of directors to the Board.

5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee, consists of 4 (Four) directors namely, Shri Vikram Somany - Chairman, Shri J. K. Taparia (Independent), Shri Atul Sanghvi and Smt. Deepshikha Khaitan.

The Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy and monitor and review the same and determine implementation process / execution of CSR policy.

Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure. During the year under review, two meetings were held on 03.05.2018 and 01.11.2018.

6) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

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

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

7) Details of remuneration for the year ended 31.03.2019

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

(` in Lakhs)

Name and Designation	Remuneration	Perquisites and other benefits	Commission
Shri Vikram Somany Chairman and Managing Director	506.87	63.09	—-
Shri Atul Sanghvi Executive Director	236.90	14.97	—-

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

The Company has entered into contract with the above directors. Whole-time Directors' appointment is for a period of 3/5 years. The Whole Time Directors' may resign from the service of the Company by giving three months' notice in advance. The Company has the right to terminate the service of Whole Time Director/s except Chairman and Managing Director at any time by giving three months' notice in writing or salary in lieu thereof.

The Whole-time Directors are also entitled to the benefits as per the Rules of the Company, which the other employees / executives of the Company are entitled to. Presently, there is no operational Employees Stock Option Scheme in the Company. ESOS does not form a part of contract with the Directors of the Company.

The Whole Time Directors are not entitled to the sitting fees for attending the Board / Committee Meetings.

(ii) Non-Executive Directors

The company has passed the resolution at the Annual General Meeting held on 27.07.2017 for the payment of commission not exceeding 1% p.a. of the net profit of the Company. The commission is to be distributed among the directors not in wholetime employment of the Company in such manner, as the Board of directors may determine from time to time. The commission will be paid to the Non-Executive Directors on approval of accounts by the members of the Company at ensuing AGM. The details of commission to be paid and sitting fees paid to them for the year 2018-19 are as under:

Name	Sitting Fees (` in Lakhs)	Commission (` in Lakhs)
Shri Sajan Kumar Pasari	0.40	4.00
Shri Lalit Kumar Bohania	0.40	4.00
Shri J. K. Taparia	0.30	4.00
Smt. Deepshikha Khaitan	0.50	4.00
Shri Surendra Singh Baid	0.30	4.00
Shri Ayush Bagla	0.40	4.00
Ms. Akriti Jain	0.10	4.00
TOTAL	**2.40**	**28.00**

(iii) Shareholding of Non-Executive Directors

Name	No. of Shares held	% of total shareholding
Shri Sajan Kumar Pasari	236696	1.82
Shri Ayush Bagla	Nil	Nil
Shri Lalit Kumar Bohania	Nil	Nil
Shri J. K. Taparia	Nil	Nil
Shri Surendra Singh Baid	Nil	Nil
Smt. Deepshikha Khaitan	339116	2.61
Ms. Akriti Jain	Nil	Nil

8) Share Transfer Committee

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had delegated the powers of share transfers to the Share Transfer Committee.

In order to expedite the process of share transfers / transmissions / splits / consolidation, the Committee meets atleast once in 10-15 days.

The Board of Directors at their meeting held on 18th April, 2018 has reconstituted Committee. It is now comprising 3 (three) directors, namely, Shri Atul Sanghvi - Chairman, Shri J. K. Taparia - (Independent) and Shri Surendra Singh Baid (Independent).

Share Transfer Agent

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

9) Stakeholders Relationship Committee

The Board of Directors at their meeting held on 18th April, 2018 reconstituted Committee, it now comprises 3 (three) directors, namely, Shri J. K. Taparia Chairman- (Independent), Shri Atul Sanghvi - Executive Director and Shri Surendra Singh Baid (Independent).

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

During the year 2018-19, the Company had received 9 complaints from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31.03.2019, which is not attended / replied by the Company.

The Company confirms that there were no share transfers lying pending as on date which were received upto 31.03.2019, provided necessary documents submitted by the shareholders and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

During the year, one meeting was held on 03.05.2018.

Shri Narendra N Patel - President and Company Secretary is a compliance office.

10) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year ended	Date	Time	Venue
31.03.2018	30.08.2018	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2017	27.07.2017	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.
31.03.2016	29.07.2016	11.30 a.m.	9, GIDC Industrial Estate Kadi-382 715, Dist. Mehsana.

During last three Annual General Meetings, following special resolutions were passed:

i) Re-Appointment of Shri Atul Sanghvi as Executive director. (Annual General Meeting dated 27.07.2017)

ii) Re-Appointment of Shri Vikram Somany as Chairman and Managing Director. (Annual General Meeting dated 27.07.2017)

iii) Payment of commission not exceeding 1% p.a. of the net profit of the Company (Annual General Meeting dated 27.07.2017)

iv) Re-appointment of Shri Sajan Kumar Pasari as an Independent Director for further period of Five years (Annual General meeting dated 30.08.2018)

v) Re-appointment of Shri Lalit Kumar Bohania as an Independent Director for further period of Five years (Annual General meeting dated 30.08.2018)

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

11) Means of Communication

1. Quarterly results are published in leading daily newspapers viz. Financial Express / The Economic Times / Times of India / Business Standard and a local language newspaper viz. The Economic Times / JaiHind / Divya Bhaskar / Financial Express. The annual results (Annual Reports) are circulated to all the members of the Company either electronically or in physical form.
2. Management Discussion & Analysis forms part of this Annual Report, which is also being posted to all the members of the Company.
3. The official news releases, if any, are given directly to the press and simultaneously to the Stock Exchanges.
4. The Company sends its financial results, Shareholding pattern and other information to BSE Limited and National Stock exchange of India Limited. They upload this information on their websites i.e. www.bseindia.com and www.nseindia.com. The said information is also available on the Company's website www.cera-india.com.
5. Occasionally presentations are made to the institutional investors and/or analysts. Information which is published is only provided to them and only general outlook or future plans are shared with them. Such presentations or communications are posted on the website of the Company www.cera-india.com.

12) General Shareholders' Information

1. Annual General Meeting :

Date and Time : Wednesday, 31st July, 2019 at 11.30 a.m.

Venue : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana.

2. Financial Calendar 2019-20 (tentative) :

Annual General Meeting	By 3rd / 4th week of September, 2020
Results for quarter ending	By 15th day of
June 30, 2019	August, 2019
September 30, 2019	November, 2019
December 31, 2019	February, 2020
March 31, 2020 (Audited)	By 29th May, 2020

3. Book Closure date 16.07.2019 to 23.07.2019. (both days inclusive)

4. Dividend Payment

Dividend for the year ended 31.03.2019 will be paid to the members whose names will appear in the register of members of the Company, on 23.07.2019 and in respect of shares held in Demat form, the members whose names appear on the statement of beneficial ownership furnished by NSDL and CDSL at the end of business hours on 15.07.2019.

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

In accordance with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) regulations

2015, the Board of Directors has adopted Dividend Distribution Policy and same is placed on the website of the Company www.cera-india.com.

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs and its amendment made from time to time, Company has issued Newspaper advertisement on 5th July, 2018 and Company has send individual notices to the shareholders on 27th June, 2018 for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. Those shareholders who have not claimed their shares, such shareholders' shares have been transferred to the Investor Education and Protection Fund on 2nd November, 2018. Shareholders are requested to note that shares transferred to IEPF, including all benefits accruing on such shares, if any can be claimed back from the IEPF Authority after following the procedure prescribed under the said rules. The procedure is also available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

Accordingly, the Company will transfer shares of those shareholders on which dividend has not been paid or claimed for seven consecutive years. Shareholders are requested to claim their unclaimed/unpaid dividend immediately.

6. **Listing on Stock Exchanges**

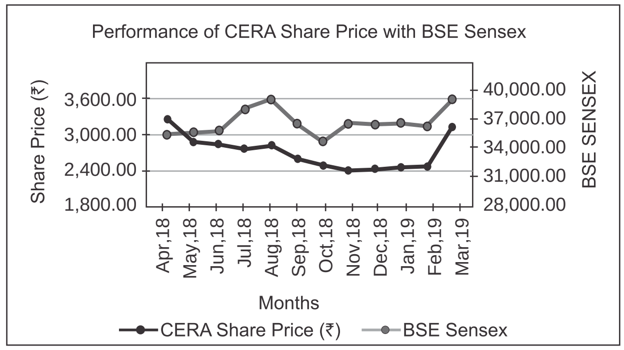
The Company's shares are listed at BSE Limited 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001 and National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid listing fees for the year 2018-19 and 2019-20 to the Stock Exchanges.

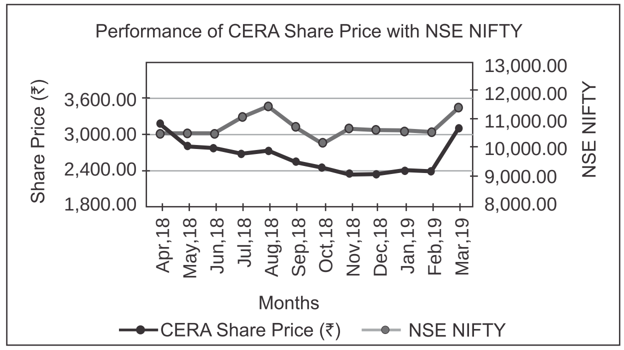
BSE Limited
Scrip Code : 532443 Scrip ID : CERA

National Stock Exchange of India Limited
Trading Symbol : CERA.

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

Month	BSE		NSE	
	High (`)	Low (`)	High (`)	Low (`)
Apr-2018	3504.05	3078.85	3489.90	3051.55
May-2018	3250.00	2736.00	3245.00	2750.00
June-2018	2930.00	2750.00	2930.00	2751.50
July-2018	2898.00	2583.00	2886.95	2625.60
Aug-2018	3187.00	2678.80	3150.00	2670.00
Sept-2018	2785.00	2420.10	2760.95	2415.00
Oct-2018	2545.00	2300.00	2583.30	2290.00
Nov-2018	2568.75	2323.10	2575.00	2335.00
Dec-2018	2470.00	2293.95	2450.00	2290.00
Jan-2019	2694.00	2340.00	2697.00	2341.45
Feb-2019	2503.05	2151.00	2522.95	2144.05
Mar-2019	3180.00	2359.95	3195.00	2387.55





8. **Registrar and Share Transfer Agent**

Entire Share Transfer and dematerialization /re-materialization job is assigned to MCS Share Transfer Agent Limited, a SEBI registered Registrar and Share Transfer Agent. Request for Share transfer, dematerialization and re-materialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad–380 009. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

9. **Share Transfer System**

The share transfer/s was normally effected within a period of 10-15 days from the date of receipt, provided the documents being complete in all respects. The Company has formed Share Transfer Committee of directors, which meets atleast once in 10-15 days for effecting transfer of Shares and other related matters. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.

10. **Distribution of Shareholding as on 31.03.2019**

Shares	No. of Shareholders	Total No. of Shares
1 – 500	22055	12,27,063
501 – 1000	273	1,98,723
1001 – 2000	101	1,49,341
2001 – 3000	31	79,548
3001 – 4000	13	46,616
4001 – 5000	6	27,342
5001 – 10,000	29	1,95,558
10,001 – 50,000	30	6,49,753
50,001 – 1,00,000	8	5,54,845
1,00,001 And above	17	98,77,085
Total	22563	1,30,05,874

11. Shareholding Pattern as on 31.03.2019

Sr. No.	Category	No. of Shares	(%)
1.	NRIs	73,655	0.57
2.	FIIs	9,83,515	7.56
3.	Financial Institutions/Banks/ Insurance Companies/Trust/ IEPF	1,10,813	0.85
4.	Mutual Funds	13,59,119	10.45
5.	Foreign Body Corporate	3,51,000	2.70
6.	Promoters	71,20,639	54.75
7.	Bodies Corporate	9,09,015	6.99
8.	Indian Public	20,98,118	16.13
	Total	1,30,05,874	100.00

12. Dematerialisation of Shares as on 31.03.2019

As on 31.03.2019, 98.23% of the Company's total shares representing 1,27,75,540 Shares were held in dematerialized form and the balance 1.77% representing 2,30,334 shares were in physical form.

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

13. Secretarial Audit for reconciliation of Capital

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a practicing company secretary has carried out the Secretarial Audit for all the quarters of Financial Year 2018-19. The Audit Reports confirms that there is no discrepancy in the issued, listed and admitted capital of the Company.

14. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments issued by the Company.

15. Credit Rating : During the year under review the Company has received following credit ratings

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

16. Plant Locations

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

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

17. Address for Correspondence

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

18. The Company has received Certificate from Umesh Parikh & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority.

19. No Preferential allotment of the shares, made during the F.Y. 2018-19.

20. During the year, Total fees of ` 13.63 lakhs have been paid to Statutory Auditors N.M.Nagri & Co. by the Company and subsidiaries (Packcart packaging LLP, Race Polymer Arts LLP).

21. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a. Number of Complaints filed during the financial year-2

b. Number of Complaints disposed of during the financial year-2

c. Number of Complaints pending as on end of the Financial year-Nil

13) Other Disclosures

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.

2. Disclosure of Accounting Treatment : These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31st March, 2019 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated, so as to make the figures comparable with the figures of current year.

3. There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchanges, SEBI or other statutory authority of any matter related to the capital market, during the last three years.

4. Vigil Mechanism (Whistle Blower Policy):

   The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website i.e.www.cera-india.com and no person is denied access to the Audit Committee.

5. The Company has partly adopted non-mandatory requirements. The Company has Chairman and Managing Director. The Company is having unmodified audit opinion. The Internal Auditor may report directly to the audit committee. The Company is complying with applicable Secretarial Standards.

6. The Company has no material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on Company's website at the link https://www.cera-india.com/corporate/policy-for determining- material-subsidiary/.

7. Related Party Transactions

   All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

   The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.cera-india.com.

8. Commodity Risk or Foreign Exchange Risk:

   The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.

9. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2018-19.

10. CEO and CFO certification

   As per Regulation 17(8) and Part - B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from CEO and CFO has been obtained.

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

Annexure IX to the Directors' Report

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2019.

Section A [General Information about the Company]:

1	Corporate Identity Number (CIN) of the Company	L26910GJ1998PLC034400
2	Name of the Company	Cera Sanitaryware Limited
3	Address of the Registered Office of the Company	9, GIDC Industrial Estate, Kadi-382 715, Dist. Mehsana, Gujarat, India.
4	Website	www.cera-india.com
5	Email id	ppavu@cera-india.com
6	Financial year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	239 (NIC 2008)
8	Key products/Services:	Sanitaryware, Tiles, Bathroom accessories & products, Faucetsware, Generation of Electricity through Green Energy for captive use.
9	Locations where business activity is undertaken by the Company	Sanitaryware and Faucetware plants alongwith Ruftop Solar Plants are located at Kadi Dist. Mehsana Gujarat. Wind farms of the Company are located in five various places in Gujarat, India. The Company's businesses and operations are spread across different geographies across the country.
10	Markets served by the Company – Local/State/National/ International	The Company has a significant presence nationally and globally.

Section B [Financial Details of the Company]:

1	Paid-up Capital (`)	650.29 Lakhs
2	Total turnover (`)	1,33,943.49 Lakhs
3	Total profit after taxes (`)	11,505.33 Lakhs
4	Total Spending on Corporate social Responsibility (CSR) as percentage of Profit after tax (%)	The Company has spent ` 306.83 Lakhs towards CSR expenditure for the F.Y.2018-19 which is 2.03% of Net Profit.
5	List of Activities in which expenditure in 4 of above has been incurred	1) Healthcare 2) Education, 3) Rural development 4) Eradicating Hunger 5) Woman empowerment etc. Annual Report on CSR activities is attached as Annexure V to the Directors' Report.

Section C [Other Details]:

1. Does the Company have any Subsidiary Company / Companies?
   Yes, the Company has one subsidiary company as on 31st March, 2019.
2. Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?
   The Company encourages subsidiary to adopt its policies and practices.
3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?
   It is difficult to establish the extent of support in the company's BR Initiatives.

Section D [BR Information]:

1. Details of Director/Directors responsible for BR:
   a) Details of the Director/Directors responsible for implementation of the BR Policy/policies:
      - DIN Number: 00045903
      - Name: Shri Atul Sanghvi
      - Designation: Executive Director & CEO
   b) Details of the BR head:
      - DIN Number: 00045903
      - Name: Shri Atul Sanghvi
      - Designation: Executive Director & CEO
      - Telephone: (02764) 242329, 243000
      - Email ID: asanghvi@cera-india.com
2. **Principle-wise (as per NVGs) BR Policy/Policies:**
   P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability
   P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
   P3 Businesses should promote the well-being of all employees
   P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
   P5 Businesses should respect and promote human rights
   P6 Businesses should respect, protect, and make efforts to restore the environment
   P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
   P8 Businesses should support inclusive growth and equitable development
   P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

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

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

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

3. Governance related to BR:

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

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

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

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

Section E [Principle-wise Performance]:

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

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

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

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

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

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

A) Sanitaryware

B) Faucetsware

C) Tiles & Allied products

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

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

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

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

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

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

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

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

1. Please indicate the Total number of employees - 2554
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis - 1448
3. Please indicate the Number of permanent women employees - 82

4. Please indicate the Number of permanent employees with disabilities - 16
5. Do you have an employee association that is recognized by management? - Yes
6. What percentage of your permanent employees is members of this recognized employee association? - 100% workmen
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

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

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

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

The Company approach focuses on the development of communities around the vicinity of Company's plant. We have also developed innovative programmes to enhance livelihood of communities through education and skill development through CSR Activities, details of which are given as Annexure II of the Directors report.

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

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

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

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

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

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

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

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

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

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

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

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

No show course / legal notices received from CPCB / SPCB during the financial year 2018-19.

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

The Company is a member of

a. Gujarat Chamber of Commerce & Industries

b. Indian Council of Sanitaryware Manufacturers

c. Indian Green Building Council Promoted by CII

d. Preferred partner of CREDAI (Confederation of Real Estate Developers Associations of India)

e. Kadi Industrial Association

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

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

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

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

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

An amount of ` 306.83 Lakhs was spent towards various CSR projects during the financial year 2018-19 and people in the cities / villages like Kadi, Kundal, Ahmedabad in the state of Gujarat and Kolkata in the state of West Bangal were benefited. The amount spent on various CSR activities is mentioned in the Annual Report as Annexure V to the Directors' Report.

The internal teams reviews and ensure the implementation of the projects undertaken.

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

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

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

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

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

Ahmedabad.
14th May, 2019

Vikram Somany
Chairman and Managing Director
(DIN:00048827)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
CERA SANITARYWARE LIMITED
CIN: L26910GJ1998PLC034400

We have examined all relevant records of **CERA SANITARYWARE LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2019.

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

On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Umesh Parikh & Associates
Company Secretaries
Umesh Parikh
Proprietor
FCS No. 4152
C P No.: 2413

Place : Ahmedabad
Date : 14th May, 2019

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

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

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligaitons and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2019.

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

Place : Ahmedabad
Date : 14th May, 2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the Rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018) - Not applicable as the Company has not issued any shares / securities during the year under review;

    (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;

    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any listed debt securities during the year under review;

    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;

    (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not Applicable as the Company has not bought – back any of its securities during the year under review;

    (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.

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

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

We further report that :

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

1. Factories Act, 1948;

2. Acts prescribed under prevention and control of pollution;

3. Acts prescribed under Environmental protection.

We further report that:

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

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

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

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

We further report that:

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

We further report that:

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

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

b) Redemption / buy-back of securities.

c) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013.

d) Merger / amalgamation / reconstruction, etc.

e) Foreign technical collaborations.

For Umesh Parikh & Associates
Company Secretaries
Umesh Parikh
Proprietor
FCS No. 4152
C P No.: 2413

Place : Ahmedabad
Date : April 30, 2019

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

ANNEXURE - A

To,
The Members,
CERA SANITARYWARE LIMITED
CIN:L26910GJ1998PLC034400

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

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

For Umesh Parikh & Associates
Company Secretaries
Umesh Parikh
Proprietor
FCS No. 4152
C P No.: 2413

Place : Ahmedabad
Date : April 30, 2019

Independent Auditors' Report

To,
The Members of Cera Sanitaryware Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **CERA SANITARYWARE LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies 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 (financial position) of the Company as at 31st March 2019, and profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the 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

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 43 to the financial statements;

   ii. According to the information and explanations provided to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR N. M. NAGRI & CO.
Chartered Accountants
Firm Regn. No.106792W
N. M. NAGRI
PROPRIETOR
Membership No. 016992

Place : Ahmedabad
Date : 14th May, 2019

Annexure – A

Annexure - A to the Independent Auditor's Report of even date to the members of CERA SANITARYWARE LIMITED, on the Standalone Ind AS financial statements for the year ended 31st March, 2019.

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

(1) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.

(2) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on such verification.

(3) As informed to us, the company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained by the Company under section 189 of the Companies Act, 2013.

(4) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments. The Company has not given any guarantee or provided security during the year.

(5) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(**6**) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the cost records under Section 148 of the Companies Act related to the maintenance of manufacture of certain products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(7) **(a)** The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and any other statutory dues including GST, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.

(b) The dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and GST which have not been deposited on account of any dispute, are as follows:

Sr. No.	Name of Statute	Nature of Dues	Amount ` (Lakhs)	Period to which the amount relates (F.Y.)	Forum where dispute is Pending
1	Income Tax Act, 1961	Income Tax	4.43	2004-05	High Court - Gujarat
2	Income Tax Act, 1961	Income Tax	31.42	2010-11	CIT Appeals
3	Income Tax Act, 1961	Income Tax	25.17	2011-12	CIT Appeals
4	Income Tax Act, 1961	Income Tax	9.62	2012-13	CIT Appeals
5	Income Tax Act, 1961	Income Tax	18.05	2015-16	CIT Appeals
6	Central Excise Act, 1944	Central Excise	2.77	1991-92	Supreme Court

(8) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government or dues to debenture holders, if any.

(9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

(10) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(11) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(12) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(13) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(14) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(15) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Companies Act, 2013.

(16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

N. M. NAGRI
PROPRIETOR
Membership No. 016992

Place : Ahmedabad
Date : 14th May, 2019

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone Ind AS financial statements of **CERA SANITARYWARE LIMITED ('the** Company'), as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Company as of 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 financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N. M. NAGRI
PROPRIETOR
Membership No. 016992

Place : Ahmedabad
Date : 14th May, 2019

Standalone Balance Sheet as at 31st March, 2019

(` in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	4	**30,415.83**	27,877.62
(b) Capital work-in-progress	4	**1,072.37**	488.58
(c) Other Intangible Assets	5	**86.47**	69.67
(d) Intangible Assets under development	5	**52.77**	36.34
(e) Financial Assets			
(i) Investments	6	**5,503.95**	3,058.21
(ii) Other Financial Assets	7	**1,080.24**	1,349.57
(f) Other Non-current Assets	8	**1,333.51**	2,672.63
(2) Current Assets			
(a) Inventories	9	**17,917.63**	16,089.56
(b) Financial Assets			
(i) Investments	10	**15,704.97**	10,859.42
(ii) Trade Receivables	11	**29,700.80**	26,766.42
(iii) Cash and Cash Equivalents	12	**606.93**	2,107.95
(iv) Bank Balances other than (iii) above	13	**430.65**	196.25
(v) Other Financial Assets	14	**344.64**	259.40
(c) Other Current Assets	15	**4,679.81**	3,092.37
Total Assets		**1,08,930.57**	94,923.99
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	**650.29**	650.29
(b) Other Equity	17	**69,365.33**	59,845.19
Total Equity		**70,015.62**	60,495.48
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	18	**2,251.80**	1,670.39
(b) Provisions	19	**648.47**	662.48
(c) Deferred Tax Liabilities (Net)	20	**4,579.23**	4,119.47
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	**1,819.36**	2,434.63
(ii) Trade Payables			
- total outstanding dues of micro and small enterprises	22	**2,881.48**	471.34
- total outstanding dues of creditors other than micro and small enterprises	22	**6,537.08**	7,310.03
(iii) Other Financial Liabilities	23	**16,236.92**	14,668.76
(b) Other Current Liabilities	24	**2,327.75**	1,788.61
(c) Provisions	25	**272.43**	371.75
(d) Current Tax Liabilities (Net)	26	**1,360.43**	931.05
Total Equity and Liabilities		**1,08,930.57**	94,923.99

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany	(DIN:00048827)	Chairman and Managing Director
Deepshikha Khaitan	(DIN:03365068)	Vice Chairperson and Director
Sajan Kumar Pasari	(DIN:00370738)	Director
Lalit Kumar Bohania	(DIN:00235869)	Director
Surendra Singh Baid	(DIN:02736988)	Director
J. K. Taparia	(DIN:07509049)	Director
Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

(` in lakhs)

	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
I	**Revenue from Operations**	27	**1,34,359.51**	1,19,267.78
II	**Other Income**	28	**1,564.69**	1,130.63
III	**Total Income**		**1,35,924.20**	1,20,398.41
IV	**EXPENSES**			
	Cost of Materials Consumed	29	**10,552.26**	8,961.15
	Purchases of Stock-in-Trade	30	**55,508.79**	50,724.03
	Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	31	**(1,490.79)**	(3,357.59)
	Excise Duty on Sales		**-**	1,059.66
	Employee Benefits Expense	32	**15,640.47**	14,026.46
	Finance Costs	33	**323.78**	523.88
	Depreciation and Amortization Expense	34	**2,284.83**	2,235.76
	Other Expenses	35	**35,088.33**	30,781.38
	Total Expenses		**1,17,907.67**	1,04,954.73
V	**Profit before tax**		**18,016.53**	15,443.68
VI	**Tax Expense :**			
	(1) Current Tax	36	**6,015.29**	5,009.99
	(2) Deferred Tax		**495.91**	408.54
VII	**Profit for the year**		**11,505.33**	10,025.15
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss Remeasurements of the Defined Benefit plan		**(159.37)**	(138.65)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**55.69**	48.44
	Total Other Comprehensive Income for the year (Net of Tax)		**(103.68)**	(90.21)
IX	**Total Comprehensive Income for the year**		**11,401.65**	9,934.94
X	**Earnings per equity share of face value of ` 5/- each**			
	(1) Basic	37	**88.46**	77.08
	(2) Diluted	37	**88.46**	77.08

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
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Surendra Singh Baid	(DIN:02736988)	Director
J. K. Taparia	(DIN:07509049)	Director
Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Standalone Cash Flow Statement for the year ended 31st March, 2019

(` in lakhs)

	Particulars	Year ended 31st March, 2019 `	`	Year ended 31st March, 2018 `	`
A.	**Cash flows from Operating activities**				
	Net Profit before tax		**18,016.53**		15,443.68
	Adjustments for :				
	Depreciation	**2,284.83**		2,235.76	
	Provision for Expected Credit Loss	**68.96**		163.00	
	Amortization of Prepaid Rentals	**18.74**		18.12	
	Bad Debts	**8.37**		-	
	Finance Cost	**323.78**		523.88	
	Interest on Security Deposit	**(18.32)**		(17.52)	
	Interest from Subsidiary Company and others	**(151.18)**		(245.68)	
	Dividend Income	**(36.74)**		(124.56)	
	Foreign Exchange Variation (Income) / Loss	**(74.36)**		38.16	
	Profit on Sale of Investments	**(101.88)**		(101.85)	
	Net Gain on Fair Valuation of Investments in Mutual Funds	**(917.64)**		(379.07)	
	Liabilities & Provisions no longer required, written back	**(300.54)**		(107.50)	
	Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	**62.54**		(146.77)	
			1,166.56		1,855.97
	Operating profit before working capital changes		**19,183.09**		17,299.65
	Adjustments for changes in working capital				
	(Increase)/Decrease in Inventories	**(1,828.09)**		(3,170.84)	
	(Increase)/Decrease in Trade and other receivables	**(2,990.74)**		(4,631.89)	
	(Increase)/Decrease in Other assets	**(1,618.57)**		1,200.08	
	Increase/(Decrease) in Trade and other liabilities	**4,454.98**		1,824.35	
	Increase/(Decrease) in Provisions	**(113.33)**		(44.30)	
			(2,095.75)		(4,822.60)
	Cash generated from operations		**17,087.34**		12,477.05
	Income Taxes paid		**(5,641.37)**		(5,326.89)
	Net cash generated by Operating activities (Total-A)		**11,445.97**		7,150.16
B.	**Cash flow from Investing activities**				
	Payments for Property, Plant and Equipments	**(4,318.60)**		(5,099.24)	
	Payments for Computer Software	**(82.36)**		(55.08)	
	Proceeds from sale of Property, Plant and Equipments & Intangible Assets	**249.84**		378.14	
	Payments for purchase of Debentures	**(1,206.02)**		-	
	Payments for Investments in Subsidiaries & Associates	**(1,316.00)**		(255.00)	
	Payments for purchase of Mutual Funds	**(19,557.78)**		(14,571.07)	
	Proceeds from sale of Mutual Funds	**15,731.75**		13,267.92	
	Proceeds from Fixed Deposits	**146.98**		2,366.52	
	Interest from Subsidiary Company and others	**87.01**		245.68	
	Dividend Income	**57.46**		79.61	
	Net cash used in Investing activities (Total-B)		**(10,207.72)**		(3,642.52)
C.	**Cash flow from Financing activities**				
	Repayment of Deposits	**-**		(1.63)	
	Repayment of Loans	**(615.27)**		(983.47)	
	Dividend on Equity Shares paid	**(1,560.70)**		(1,560.70)	
	Tax on Dividend	**(320.81)**		(317.72)	
	Finance Cost	**(242.49)**		(523.88)	
	Net cash used in Financing activities (Total-C)		**(2,739.27)**		(3,387.40)
	Net increase in Cash & cash equivalents (A+B+C)		**(1,501.02)**		120.24
	Cash & cash equivalent - Opening Balance		**2,107.95**		1,987.71
	Cash & cash equivalent - Closing Balance		**606.93**		2,107.95

(` in lakhs)

Particulars	Year ended 31st March, 2019 `	Year ended 31st March, 2018 `
Notes to Cash Flow Statement		
1. Components of Cash & cash equivalents		
Balances with banks	**600.16**	610.62
Cash on hand	**6.77**	12.12
Bank FDs with original maturity of less than 3 months	**-**	1,485.21
Cash & cash equivalents considered in Cash Flow Statement	**606.93**	2,107.95

2. The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

3. Reconciliation of Liabilities arising from Financing activities

(` in lakhs)

Particulars	Outstanding as at 1st April, 2018	Cash Flows	Non-Cash changes	Outstanding as at 31st March, 2019
Short Term Borrowings	2,434.63	(615.27)	-	1,819.36
Total Liabilities from Financing activities	**2,434.63**	**(615.27)**	**-**	**1,819.36**

Significant Accounting Policies **Note 3.7**

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany	(DIN:00048827)	Chairman and Managing Director
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Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

(` in lakhs)

	Particulars	No. of Shares	Amount
A.	**EQUITY SHARE CAPITAL**		
	Balance as at 1st April, 2017	1,30,05,874	650.29
	Changes during the year	-	-
	Balance as at 31st March, 2018	1,30,05,874	650.29
	Changes during the year	-	-
	Balance as at 31st March, 2019	**1,30,05,874**	**650.29**

	Particulars	Reserves and Surplus			Other Comprehensive Income	Total
		Securities Premium	General Reserve	Retained Earnings	Actuarial Gain / (Loss)	
B.	**OTHER EQUITY**					
	Balance as at 1st April, 2017	8,095.94	25,355.67	18,452.07	(115.01)	**51,788.67**
	Transferred from Statement of Profit and Loss	-	6,359.68	(6,359.68)	-	**-**
	Dividend on Equity Shares	-	-	(1,560.70)	-	**(1,560.70)**
	Tax on Dividend	-	-	(317.72)	-	**(317.72)**
	Remeasurement of Defined Benefit Plan	-	-	-	(138.65)	**(138.65)**
	Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	48.44	**48.44**
	Profit for the year	-	-	10,025.15	-	**10,025.15**
	Balance as at 31st March, 2018	**8,095.94**	**31,715.35**	**20,239.12**	**(205.22)**	**59,845.19**
	Transferred from Statement of Profit and Loss	-	5,857.61	(5,857.61)	-	**-**
	Dividend on Equity Shares	-	-	(1,560.70)	-	**(1,560.70)**
	Tax on Dividend	-	-	(320.81)	-	**(320.81)**
	Remeasurement of Defined Benefit Plan	-	-	-	(159.37)	**(159.37)**
	Tax effect on Remeasurement of Defined Benefit Plan	-	-	-	55.69	**55.69**
	Profit for the year	-	-	11,505.33	-	**11,505.33**
	Balance as at 31st March, 2019	**8,095.94**	**37,572.96**	**24,005.33**	**(308.90)**	**69,365.33**

The accompanying Notes 1 to 52 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

Rajesh B.Shah
CFO & COO
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Mem.No.ACA:040113

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Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Significant Accounting Policies and other Explanatory Information to the Standalone Financial Statements for the Financial Year ended 31st March, 2019

1. **Corporate Information**

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

2. **Basis of Preparation**

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

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

These Standalone Financial Statements of the Company as at and for the year ended 31st March, 2019 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 14th May, 2019.

2.2 **Functional and Presentation Currency**

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

2.3 **Basis of Measurement**

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

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

3. **Significant Accounting Policies**

3.1 **Property, Plant and Equipment**

[a] **Tangible Assets**

[i] **Recognition and Measurement**

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

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

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

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

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

[ii] **Subsequent Expenditure**

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

[iii] **Derecognition**

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

[iv] **Research and Development Cost**

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

[v] **Depreciation/Amortization**

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

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on fit-outs and other display assets at sales outlets where useful life has been taken based on external/internal technical evaluation as under :

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years

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

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

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

[b] **Capital work-in-progress**

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

[c] **Intangible Assets**

[i] **Initial Recognition and Classification**

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

[ii] **Subsequent Expenditure**

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

[iii] **Amortization**

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

[iv] **Derecognition**

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

[v] **Intangible Assets under Development**

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

[d] **Impairment of Non Financial Assets**

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

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

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

3.2 **Borrowing Costs**

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

3.3 **Operating Cycle**

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

3.4 **Current versus Non-Current Classification**

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

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

* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
* Held primarily for the purpose of trading.
* Expected to be realised / settled within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

3.5 **Inventories**

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

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

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

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

3.6 **Cash and Cash Equivalents**

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

3.7 **Cash Flow Statement**

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

3.8 **Provisions, Contingent Liabilities and Contingent Assets**

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

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

Contingent liability is disclosed in the case of :

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

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

3.9 **Earnings Per Share**

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

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

3.10 **Foreign Currency Transactions and Translations**

Initial Recognition

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

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

Measurement at the Balance Sheet Date

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

Treatment of exchange difference

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

3.11 **Revenue from Contracts with Customers**

Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the financial results.

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

Revenue arises from sale of goods and rendering of services.

Sale of Goods

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

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

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

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

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

Rendering of Services

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

Interest, Dividends and Other Income

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

3.12 **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.13 **Employee Benefits**

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

Defined Contribution Plans

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

Defined Benefit Plans

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

Short-term Employee Benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

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

3.14 **Taxes on Income**

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

[i] **Current Tax**

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

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

[ii] **Deferred Tax**

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

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

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

3.15 **Equity, Reserves and Dividend Payments**

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

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

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.16 **Significant Judgments, Estimates and Assumptions**

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

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

Judgments

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

Contingencies

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

Estimates and Assumptions

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

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

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

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

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

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

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

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

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

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

(e) **Impairment of Financial Assets**

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

3.17 **Fair Value Measurement**

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

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

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

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

3.18 **Financial Instruments**

I. **Financial Assets**

(a) **Initial Recognition and Measurement**

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

(b) **Subsequent Measurement**

(i) **Financial assets carried at amortised cost**

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

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

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

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

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

(c) **Impairment of Financial Assets**

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

(d) **Derecognition of Financial Assets**

A financial asset is derecognised when :

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

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

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

II. **Financial Liabilities**

Initial Recognition and Subsequent Measurement

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

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

III. **Fair Value of Financial Instruments**

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

IV. **Offsetting of Financial Instruments**

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

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

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

3.19 **Recent Accounting Pronouncements**

Standards issued but not yet effective

On 30th March, 2019, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019. These amendments will come into force for financial periods beginning on or after 1st April, 2019.

[i] **Ind AS 116 - Leases**

The Ministry of Corporate Affairs has notified Ind AS 116, 'Leases' applicable w.e.f. 1st April, 2019. This new Ind AS 116 will replace the existing standard, Ind AS 17 Leases, and related interpretations. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. This new standard introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements specified in Ind AS 17.

The standard permits two possible methods of transition:

1. Full Retrospective Method - Apply Ind AS 116 retrospectively to each prior period presented, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
2. Modified Retrospective Method - Apply Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Company will adopt the standard on and from 1st April, 2019 by using modified retrospective method and will give cumulative effect on transition to equity. The effect on adoption of Ind AS 116 is expected to be insignificant.

[ii] **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, 'Uncertainty over Income Tax Treatments' which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have used or plan to use in their income tax filing which is to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Company will adopt the standard on and from 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1st April, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

[iii] **Amendment to Ind AS 12 – Income taxes**

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

[iv] **Amendment to Ind AS 19 – Employee Benefits**

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

* to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
* to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Notes to Standalone financial statements for the year ended 31st March, 2019

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

(a) Property, Plant and Equipment

(` in lakhs)

Sr. No.	Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
1	**Deemed Cost of Assets**									
	As at 1st April, 2017	6.14	665.69	10,181.34	22,540.30	876.14	930.96	411.24	767.64	36,379.45
	Addition	-	68.50	980.35	2,272.49	53.65	100.12	36.55	244.73	3,756.39
	Disposal / Adjustments	-	-	(244.17)	(7.37)	-	(32.29)	(1.94)	(115.05)	(400.82)
	As at 31st March, 2018	6.14	734.19	10,917.52	24,805.42	929.79	998.79	445.85	897.32	39,735.02
	Addition	-	124.36	2,406.22	1,013.88	1,070.05	135.53	140.24	196.02	5,086.30
	Disposal / Adjustments	-	-	(1.19)	(726.64)	(11.96)	(32.74)	(5.92)	(110.11)	(888.56)
	As at 31st March, 2019	**6.14**	**858.55**	**13,322.55**	**25,092.66**	**1,987.88**	**1,101.58**	**580.17**	**983.23**	**43,932.76**
2	**Depreciation / Amortization**									
	As at 1st April, 2017	0.10	-	3,100.19	5,194.69	456.05	431.90	297.79	391.41	9,872.13
	Charge for the year	0.10	-	556.09	933.94	113.69	339.10	56.11	155.68	2,154.71
	Disposal / Adjustments	-	-	(53.57)	(0.85)	-	(27.12)	(1.73)	(86.17)	(169.44)
	As at 31st March, 2018	0.20	-	3,602.71	6,127.78	569.74	743.88	352.17	460.92	11,857.40
	Charge for the year	0.10	-	631.16	1,002.04	208.77	170.72	57.17	165.74	2,235.70
	Disposal / Adjustments	-	-	(0.93)	(455.06)	(8.03)	(27.64)	(5.51)	(79.00)	(576.17)
	As at 31st March, 2019	**0.30**	**-**	**4,232.94**	**6,674.76**	**770.48**	**886.96**	**403.83**	**547.66**	**13,516.93**
3	**Net Block**									
	As at 31st March, 2018	5.94	734.19	7,314.81	18,677.64	360.05	254.91	93.68	436.40	27,877.62
	As at 31st March, 2019	**5.84**	**858.55**	**9,089.61**	**18,417.90**	**1,217.40**	**214.62**	**176.34**	**435.57**	**30,415.83**

(b) Capital work-in-progress

As at 31st March, 2018	488.58
As at 31st March, 2019	**1,072.37**

Notes:

a. Previous period's figures have been re-grouped / re-classified wherever required to current year's classification.

b. Items of Property, Plant & Equipment situated at 9, GIDC Industrial Estate & Residential Colony - Kadi are mortgaged (EM) and fixed assets at Kadoli and Kalyanpur Windmills are hypothecated with State Bank of India against working facilities availed.

c. Cost of Buildings includes ownership offices in co-operative societies for ` 2,179.55 Lakhs (Previous year ` 343.35 Lakhs) including 40 shares of ` 50/- each and 10 shares of ` 50/- each in respective co-operative societies.

d. Capital work-in-progress mainly comprises of costs incurred on Plant & Equipments, Buildings and Furniture & Fixtures which are currently under installation / construction.

e. The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ` 2,192.33 Lakhs as on 31.03.2019 and ` 2,642.35 Lakhs as on 31.03.2018.

Note-5. OTHER INTANGIBLE ASSETS

(` in lakhs)

Sr. No.	Particulars	Computer Softwares
1	**Deemed Cost of Assets**	
	As at 1st April, 2017	433.80
	Addition	18.74
	Disposal / Adjustments	-
	As at 31st March, 2018	452.54
	Addition	65.93
	As at 31st March, 2019	**518.47**
2	**Amortization**	
	As at 1st April, 2017	301.82
	Charge for the year	81.05
	As at 31st March, 2018	382.87
	Charge for the year	49.13
	As at 31st March, 2019	**432.00**
3	**Net Block**	
	As at 31st March, 2018	69.67
	As at 31st March, 2019	**86.47**

INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31st March, 2018	36.34
	As at 31st March, 2019	**52.77**

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
Note - 6. INVESTMENTS - NON-CURRENT			
	Non-Current Investments		
	Trade Investments (valued at deemed cost unless otherwise specified)		
A	**Investments in Equity Instruments**		
1	**Investment in Subsidiary Company (Unquoted)**		
	Fully paid Equity Shares		
	51,00,000 Equity Shares of Anjani Tiles Limited of ` 10/- each fully paid up (51,00,000 Equity Shares as at 31st March, 2018)	**510.00**	510.00
2	**Investments in Associates (Unquoted)**		
	(a) 12 Equity Shares of Cera Sanitaryware Ltd FZC-Sharjah of AED 1000/- each fully paid up (12 Shares as at 31st March, 2018)	**2.20**	2.20
	(b) 175 Equity Shares of Cera Sanitaryware Trading LLC-Dubai of AED 1000/- each fully paid up (175 Shares as at 31st March, 2018)	**32.10**	32.10
B	**Investments in Preference Shares**		
	Investment in Subsidiary Company (Unquoted)		
	2,42,30,000 1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited of ` 10/- each fully paid up. (2,42,30,000 1% Cumulative Redeemable Preference Shares as at 31st March, 2018)	**2,423.00**	2,423.00
C	**Investments in Limited Liability Partnership**		
	(a) Packcart Packaging LLP (Subsidiary)	**90.78**	90.78
	(b) Race Polymer Arts LLP (Subsidiary)	**369.49**	-
	(c) Milo Tile LLP (Associate entity)	**806.00**	-
D	**Investments in Debentures (At amortised cost)**		
	(a) Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures 100 Units of face value of ` 10,00,000 per unit (Nil as at 31st March, 2018)	**1,059.85**	-
	(b) Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures 20 Units of face value of ` 10,00,000 per unit (Nil as at 31st March, 2018)	**210.40**	-
E	**Investments in Government Securities**		
	National Savings Certificates* (at amortised cost)	**0.13**	0.13
	Total	**5,503.95**	3,058.21
	Aggregate Cost of Investments	**5,503.95**	3,058.21

* Government Securities: Deposited with Government Department

Notes :

Sr. No.	Name of Partners	As at 31st March, 2019 Capital `	As at 31st March, 2019 Share	As at 31st March, 2018 Capital `	As at 31st March, 2018 Share
6.1(A)	**Investment in Packcart Packaging LLP, their partners, total capital and shares of each partner are as under :**				
1	Cera Sanitaryware Ltd.	**90.78**	**51%**	90.78	51%
2	Smt. Kinjal Bhatt	**87.22**	**49%**	87.22	49%
	Total	**178.00**	**100%**	178.00	100%
6.1(B)	**Investment in Race Polymer Arts LLP, their partners, total capital and shares of each partner are as under :**				
1	Cera Sanitaryware Ltd.	**369.49**	**51%**	-	-
2	Nemani Mould Plast LLP	**355.00**	**49%**	-	-
	Total	**724.49**	**100%**	-	-

Sr. No.	Name of Partners	As at 31st March, 2019 Capital `	Share	As at 31st March, 2018 Capital `	Share
6.1(C)	**Investment in Milo Tile LLP, their partners, total capital and shares of each partner are as under :**				
1	Cera Sanitaryware Ltd.	**806.00**	**26%**	-	-
2	Shri Rameshbhai Vashrambhai Bhalodia	**100.00**	**28%**	-	-
3	Smt.Ansoyaben Rameshbhai Bhalodia	**80.00**	**12%**	-	-
4	Shri Milanbhai Rameshbhai Bhalodia	**80.00**	**12%**	-	-
5	Shri Kevin Rameshbhai Bhalodia	**70.00**	**12%**	-	-
6	Smt.Jalpaben Milanbhai Bhalodia	**35.00**	**5%**	-	-
7	Smt.Sweta Kevin Bhalodia	**35.00**	**5%**	-	-
	Total	**1,206.00**	**100%**	**-**	**-**

6.2 In case of investments in the Associates, viz. Cera Sanitaryware Ltd FZC - Sharjah and Cera Sanitaryware Trading LLC - Dubai, one of the partner / shareholder has expired during the F.Y. 2017-18 and the legal formalities to transfer his respective shareholdings in both the Associates to his successors are still in progress.

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited As on 31st Mar, 2019	As on 31st Mar, 2018	Activities
6.3	**Ownership Interest in Subsidiaries :**				
1	Equity Shares of Anjani Tiles Limited	India	**51%**	51%	Manufacturing of Tiles
2	1% Cumulative Redeemable Preference Shares of Anjani Tiles Limited	India	**53.84%**	53.84%	
3	Investment in Limited Liability Partnership -Packcart Packaging LLP	India	**51%**	51%	Manufacturing of Corrugated Boxes
4	Investment in Limited Liability Partnership - Race Polymer Arts LLP	India	**51%**	-	Manufacturing of Seat Cover, Cistren, Fitting
6.4	**Ownership Interest in Associates :**				
1	Shares of Cera Sanitaryware Limited FZC	Sharjah	**50%**	50%	Trading of Tiles, Flooring materials & Sanitaryware.
2	Shares of Cera Sanitaryware Trading LLC	Dubai	**25%**	25%	
3	Milo Tile LLP	India	**26%**	-	Manufacturing of Tiles

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT		
	At amortised cost		
1	Security Deposits (Unsecured, considered good)	131.96	172.55
2	Bank FDs with more than 12 months maturity	521.45	906.61
3	Margin Money Deposits with a bank held as security against Borrowings with more than 12 months maturity	286.32	270.41
4	Advance Contribution to Subsidiary*	140.51	-
	Total	**1,080.24**	1,349.57

* Refer Note No. 38

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 8. OTHER NON-CURRENT ASSETS		
1	**Capital Advances**	**1,189.72**	2,541.22
2	**Advances other than Capital Advances**		
	(a) Others advances (Unsecured, considered good)		
	(i) Advance lease rentals - Leasehold Land	**3.50**	4.00
	(ii) Advance lease rentals - Security Deposits	**23.67**	16.61
	(b) Advance Income Tax for earlier years	**116.62**	110.80
	Total	**1,333.51**	2,672.63

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 9. INVENTORIES		
	As taken, valued & certified by the Management		
	At lower of Cost and Net Realisable Value		
1	Raw Materials	**2,110.45**	1,874.22
2	Work-in-progress	**718.11**	648.57
3	Finished Goods	**3,423.08**	3,257.71
4	Stock-in-trade	**10,347.09**	9,091.21
5	Stores and Spares	**1,318.90**	1,217.85
	Total	**17,917.63**	16,089.56

Note :

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

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 10. INVESTMENTS - CURRENT		
	Current Investments		
	Investments in Mutual Funds (Unquoted)		
	Measured at Fair Value through Profit & Loss (FVTPL)		
1	HDFC Credit Risk Debt Fund (in which HDFC Regular Savings Fund - Regular Plan Growth (Short Term) merged) 2234714.4310 Units NAV of ` 15.2551 (930965.7400 Units NAV of ` 34.4339 each as at 31st March, 2018)	**340.91**	320.57
2	ICICI Prudential Equity & Debt Fund - Growth (Formerly ICICI Prudential Balanced Fund - Growth) 29226.8180 Units NAV of ` 134.4400 each (29226.8180 Units NAV of ` 124.9000 each as at 31st March, 2018)	**39.29**	36.50
3	Franklin India Low Duration Fund - Growth 322333.0780 Units NAV of ` 21.7400 each (322333.0780 Units NAV of ` 19.9756 each as at 31st March, 2018)	**70.08**	64.39
4	IDFC Corporate Bond Fund - Regular Plan - Growth 9494369.4800 Units NAV of ` 12.7323 each (9494369.4800 Units NAV of ` 11.8882 each as at 31st March, 2018)	**1,208.85**	1,128.71
5	Kotak Medium Term Fund - Regular Plan - Growth 5087120.4570 Units NAV of ` 15.2838 each (5087120.4570 Units NAV of ` 14.4327 each as at 31st March, 2018)	**777.51**	734.21
6	L & T Low Duration Fund - Growth (Formerly L & T Short Term Income Fund - Growth) 709420.9890 Units NAV of ` 20.0334 each (709420.9890 Units NAV of ` 18.6781 each as at 31st March, 2018)	**142.12**	132.51
7	HDFC Short Term Debt Fund - Regular Plan - Growth (Formerly HDFC Short Term Opputunities Fund - Regular Plan - Growth) 1433856.2130 Units NAV of ` 20.6395 each (1433856.2130 Units NAV of ` 19.1747 each as at 31st March, 2018)	**295.94**	274.94
8	ICICI Prudential Short Term Fund - Growth Option 302519.6860 Units NAV of ` 38.6208 each (302519.6860 Units NAV of ` 36.1951 each as at 31st March, 2018)	**116.84**	109.50
9	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 1419333.0470 Units NAV of ` 20.8105 each (1419333.0470 Units NAV of ` 19.3109 each as at 31st March, 2018)	**295.37**	274.09
10	IDFC Credit Risk Fund - Regular Plan - Growth (Formerly IDFC Credit Opportunities Fund - Regular Plan - Growth) 2001380.9530 Units NAV of ` 11.3363 each (2001380.9530 Units NAV of ` 10.7189 each as at 31st March, 2018)	**226.88**	214.53
11	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund - Growth) 2923816.4170 Units NAV of ` 25.7551 each (2923816.4170 Units NAV of ` 24.2666 each as at 31st March, 2018)	**753.03**	709.51
12	HDFC Banking & PSU Debt Fund - Regular Plan - Growth 3940457.2120 Units NAV of ` 15.0295 each (3940457.2120 Units NAV of ` 14.0585 each as at 31st March, 2018)	**592.23**	553.97

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
13	Aditya Birla Sun Life Corporate Bond Fund - Growth -Regular Plan (Formerly Aditya Birla Sun Life Short Term Fund) 1454166.9740 Units NAV of ` 71.6785 each (1454166.9740 Units NAV of ` 66.4109 each as at 31st March, 2018)	**1,042.33**	965.73
14	Kotak Standard Multicap Fund - Growth - Regular Plan (Formerly Kotak Select Focus Fund) 673156.4100 Units NAV of ` 35.4780 each (673156.4100 Units NAV of ` 31.8130 each as at 31st March, 2018)	**238.82**	214.15
15	Kotak Standard Multicap Fund - Direct Plan - Growth - (Formerly Kotak Select Focus Fund) 44064.1350 Units NAV of ` 37.7190 each (44064.1350 Units NAV of ` 33.4750 each as at 31st March, 2018)	**16.62**	14.75
16	Franklin India Equity Fund -Regular Fund - Growth (Formerly Franklin India Prima Plus - Regular Fund - Growth) 37437.1750 Units NAV of ` 602.6341 each (37437.1750 Units NAV of ` 563.4348 each as at 31st March, 2018)	**225.61**	210.93
17	Franklin India Equity Fund - Direct - Growth (Formerly Franklin India Prima Plus Fund) 2574.9370 Units NAV of ` 639.4231 each (2574.9370 Units NAV of ` 592.0508 each as at 31st March, 2018)	**16.46**	15.24
18	ICICI Prudential Credit Risk Fund - Growth (Formerly ICICI Prudential Regular Savings Fund - Growth) 559816.3800 Units NAV of ` 19.8545 each (559816.3800 Units NAV of ` 18.5751 each as at 31st March, 2018)	**111.15**	103.99
19	Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan (Formerly Aditya Birla SunLife Equity Fund) 15938.5000 Units NAV of ` 730.6800 each (15938.5000 Units NAV of ` 688.2700 each as at 31st March, 2018)	**116.46**	109.70
20	SBI Blue Chip Fund -Regular Plan - Growth 301510.1040 Units NAV of ` 39.2092 each (239009.6650 Units NAV of ` 37.2226 each as at 31st March, 2018)	**118.22**	88.97
21	ICICI Prudential Large & Mid Cap Fund - Growth (Formerly ICICI Prudential Top 100 Fund - Regular Plan - Growth) 35193.8830 Units NAV of ` 325.0100 each (35193.8830 Units NAV of ` 310.0100 each as at 31st March, 2018)	**114.38**	109.10
22	Mirae Asset India Equity Fund - Regular Plan - Growth 243735.9450 Units NAV of ` 51.1710 each (193158.3820 Units NAV of ` 44.8070 each at 31st March, 2018)	**124.72**	86.55
23	Avendus Enhanced Return Fund -Class A 1 85349.7300 Units NAV of ` 1147.8785 each (50000.0000 Units NAV of ` 1042.6474 each as at 31st March, 2018)	**979.71**	521.32
24	SBI Liquid Fund Direct Growth (Formerly SBI Premier Liquid Fund - Direct Plan - Growth) 87007.6010 Units NAV of ` 2928.5700 each (18383.4810 Units NAV of ` 2724.3942 each as at 31st March, 2018)	**2,548.08**	500.84
25	SBI Savings Fund - Direct Plan -Growth 3764812.0250 Units NAV of ` 30.0391 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**1,130.92**	-
26	SBI Magnum Ultra Short Duration Fund Direct Growth 45496.5360 Units NAV of ` 4167.7965 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**1,896.20**	-
27	Avendus Absolute Return Fund - Class A6 60088.6134 Units NAV of ` 1055.2860 each (Nil Units NAV of ` NIL each at 31st March, 2018)	**634.11**	-
28	Axis Banking & PSU Debt Fund - Direct Growth (BD-DG) 44832.9110 Units NAV of ` 1769.5911 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**793.36**	-
29	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 2954403.7030 Units NAV of ` 16.2265 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**479.40**	-
30	Axis Short Term Fund - Growth (ST-GP) 1282439.3020 Units NAV of ` 20.2245 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**259.37**	-

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
31	LIC MF Savings Plus - Direct Plan - Daily Dividend Nil Units NAV of ` NIL each (17311013.6750 Units NAV ` of 10.1000 each as at 31st March, 2018)	-	1,748.41
32	HDFC Regular Saving Regular Plan -Growth (Formerly Short Term Plan - Growth) Nil Units NAV of ` NIL each (1837195.1170 Units NAV of ` 34.4339 each as at 31st March, 2018)	-	632.62
33	Kotak Credit Risk Fund - Growth - Regular Plan (Formerly Kotak Income Opp. Fund) Nil Units NAV of ` NIL each (1768834.7230 Units NAV of ` 19.1037 each as at 31st March, 2018)	-	337.91
34	Aditya Birla Sun Life Medium Term Plan -Regular Fund - Growth Nil Units NAV of ` NIL each (472012.0460 Units NAV of ` 21.9777 each as at 31st March, 2018)	-	103.74
35	DSP Credit Risk Fund - Regular Plan -Growth Nil Units NAV of ` NIL each (362249.2780 Units NAV of ` 28.5951.each as at 31st March, 2018)	-	103.59
36	Franklin India Income Opp. Fund -Regular Fund - Growth Nil Units NAV of ` NIL each (508445.2760 Units NAV of ` 20.6513 each as at 31st March, 2018)	-	105.00
37	SBI Liquid Fund Regular Growth (Formerly SBI Premier Liquid Fund) Nil Units NAV of ` NIL each (868.0960 Units NAV of ` 2715.5341 each as at 31st March, 2018)	-	23.57
38	Mirae Asset Cash Management Fund - Regular Plan Growth Nil Units NAV of ` NIL each (1288.7730 Units NAV of ` 1814.7202 each as at 31st March, 2018)	-	23.39
39	Canara Robeco Emerging Equities -Regular Plan - Growth Nil Units NAV of ` NIL each (106872.4440 Units NAV of ` 90.2300 each as at 31st March, 2018)	-	96.43
40	Kotak Liquid - Regular Plan - Growth Nil Units NAV of ` NIL each (183.5241 Units NAV of ` 3512.8890 each as at 31st March, 2018)	-	6.45
41	Kotak Emerging Equity Scheme -Regular Plan - Growth Nil Units NAV of ` NIL each (235054.3200 Units NAV of ` 38.9870 each as at 31st March, 2018)	-	91.64
42	Franklin India Income Oppurtunities Fund- Growth Nil Units NAV of ` NIL each (445330.7080 Units NAV of ` 20.6513 each as at 31st March, 2018)	-	91.97
	Total	**15,704.97**	10,859.42
	Aggregate Cost of Unquoted Investments	**14,331.18**	10,149.97
	Aggregate Fair Value of Unquoted Investments	**15,704.97**	10,859.42

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
Note - 11. TRADE RECEIVABLES - CURRENT			
1	Trade Receivables considered good - Secured;	**2,127.07**	1,535.66
2	Trade Receivables considered good - Unsecured;	**27,340.80**	25,022.61
3	Trade Receivables which have significant increase in Credit Risk	**-**	-
4	Trade Receivables - Credit Impaired	**439.54**	371.15
		29,907.41	26,929.42
	Less: Allowance for expected credit losses on (4) above	**206.61**	163.00
	Total	**29,700.80**	26,766.42
	Movement in Allowance for expected credit losses		
	Balance at the beginning of the year	**163.00**	**-**
	Allowance for Expected credit losses provided during the year (Refer Note No. 35)	**68.96**	163.00
	Amounts written back during the year	**(6.06)**	-
	Amounts of Trade Receivables written off during the year	**(19.29)**	-
	Balance at the end of the year	**206.61**	163.00

Notes :

11.1 Trade Receivables are hypothecated to secure working capital facilities from State Bank of India.

11.2 No Trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.

11.4 Trade Receivables are non-interest bearing and are generally on credit terms of 30 to 60 days.

11.5 Refer to Note No. 38 for dues from an Associate. (Unsecured, considered good)

11.6 The opening balance as at 1st April, 2017 of Trade Receivables as required under Ind AS 115 is as under:

Sr.No.	Particulars	As at 1st April, 2017
1	Trade Receivables considered good - Secured;	1,045.58
2	Trade Receivables considered good - Unsecured;	20,675.56
3	Trade Receivables which have significant increase in Credit Risk	-
4	Trade Receivables - Credit Impaired	349.68
		22,070.82
	Less: Allowance for expected credit losses on (4) above	-
	Total	**22,070.82**

The opening and closing balances as at 31st March, 2018 and 31st March, 2019 are already given above.

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
Note - 12. CASH AND CASH EQUIVALENTS			
1	Balances with banks in current accounts	**600.16**	610.62
2	Cash on hand	**6.77**	12.12
3	Bank FDs with original maturity of less than 3 months	**-**	1,485.21
	Total	**606.93**	2,107.95
Note - 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
1	Bank FDs with original maturity of more than 3 months but less than 12 months	**329.85**	107.58
2	Earmarked Balances with Banks (Unpaid Dividend)*	**100.80**	88.67
	Total	**430.65**	196.25
	* Not due for deposit in the Investor Education and Protection Fund		
Note - 14. OTHER FINANCIAL ASSETS - CURRENT			
At amortised cost (Unsecured, considered good)			
1	Security Deposits	**136.57**	26.55
2	Insurance claims receivables	**130.66**	128.88
3	Interest accrued and receivable	**0.12**	0.19
4	Dividend Receivable - From Subsidiary company*	**24.23**	44.95
5	Advance to staff	**53.06**	49.15
6	Advance to related parties*	**-**	9.68
	Total	**344.64**	259.40
	* Refer Note No. 38		

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 15. OTHER CURRENT ASSETS		
	Advances other than Capital Advances (Unsecured, considered good)		
	Other Advances		
	(i) Prepaid Expenses	**667.22**	222.45
	(ii) Balance with Customs & Central Excise Authorities	**54.00**	67.26
	(iii) Advance lease rentals - Security Deposits	**17.63**	16.61
	(iv) Advance lease rentals - Leasehold Land	**0.50**	0.50
	(v) Advances to Subsidiaries*	**1,610.11**	293.73
	(vi) Advances to related parties*	**66.45**	-
	(vii) Other Advances	**2,263.90**	2,491.82
	Total	**4,679.81**	3,092.37
	* Refer Note No. 38		
	Note - 16. SHARE CAPITAL		
1	**Authorized Share Capital**		
	2,00,00,000 Equity Shares of ` 5/- each	**1,000.00**	1,000.00
	(2,00,00,000 Equity Shares of ` 5/- each as at 31st March, 2018)		
	Total	**1,000.00**	1,000.00
2	**Issued, Subscribed & Fully Paid Up Capital**		
	1,30,05,874 Equity Shares of ` 5/- each fully paid up	**650.29**	650.29
	(1,30,05,874 Equity Shares of ` 5/- each fully paid up as at 31st March, 2018)		
	Total	**650.29**	650.29

Notes :

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	**Amount**	No. of shares	Amount
Shares outstanding at the beginning of the year	**1,30,05,874**	**650.29**	1,30,05,874	650.29
Add : Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**1,30,05,874**	**650.29**	1,30,05,874	650.29

16.2 Terms / Rights attached to Equity Share :

The Company has only one class of Equity Shares having a par value of ` 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Vikram Investment Co. Pvt. Ltd.	**29,00,275**	**22.30%**	29,00,275	22.30%
Shri Vikram Somany	**9,45,847**	**7.27%**	9,45,847	7.27%
Smt.Smiti Somany	**13,42,240**	**10.32%**	13,42,240	10.32%
HDFC Life Insurance Company Ltd.	**7,02,576**	**5.40%**	6,28,232	4.83%

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

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Note - 17. OTHER EQUITY				
1	**Other Reserves**				
	(i) Securities Premium		**8,095.94**		8,095.94
	(ii) General Reserve				
	Balance as per last financial year	**31,715.35**		25,355.67	
	Add : Transferred from Statement of Profit and Loss	**5,857.61**		6,359.68	
			37,572.96		31,715.35
2	**Retained Earnings**				
	Balance as per last financial year	**20,239.12**		18,452.07	
	Add: Profit for the year	**11,505.33**		10,025.15	
	Less: Appropriations				
	Transferred to General Reserve	**(5,857.61)**		(6,359.68)	
	Dividend on Equity Shares	**(1,560.70)**		(1,560.70)	
	(Dividend per share ` 12) (For the period ended 31st March, 2018)				
	Tax on Dividend	**(320.81)**		(317.72)	
			24,005.33		20,239.12
3	**Other Comprehensive Income**				
	Remeasurements of Defined Benefit Plans				
	Balance as per last financial year	**(205.22)**		(115.01)	
	Adjustments during the year				
	Add: Actuarial Loss on Remeasurement of Defined Benefit Plans	**(159.37)**		(138.65)	
	Less: Current Tax effect on Gratuity	**19.54**		18.53	
	Less: Deferred Tax on Leave Encashment	**36.15**		29.91	
			(308.90)		(205.22)
	Total		**69,365.33**		59,845.19

Nature and purpose of Other Reserves

a) Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

b) General Reserve

General Reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subesquently reclassified to statement of profit and loss.

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 18. OTHER FINANCIAL LIABILITIES - NON-CURRENT		
1	Deposits by Dealers	**2,229.57**	1,648.16
2	Due to others	**22.23**	22.23
	Total	**2,251.80**	1,670.39
	Note - 19. PROVISIONS - NON-CURRENT		
1	**Provision for Employee Benefits**		
	Provision for Leave Encashment	**501.06**	481.70
2	**Provision for Tax**		
	Provision for Income Tax of earlier years	**147.41**	180.78
	Total	**648.47**	662.48

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 20. DEFERRED TAX LIABILITIES (NET)		
1	**Deferred Tax Liabilities** (Arising on account of temporary difference)		
	(a) Assets : Impact of difference between carrying value and tax base of Depreciable assets	**4,357.63**	4,199.13
	(b) Impact of difference between carrying value and tax base of Investments in Mutual Funds	**480.05**	247.90
	Total Deferred Tax Liabilities (A)	**4,837.68**	4,447.03
2	**Deferred Tax Assets** (Arising on account of temporary difference)		
	(a) Leave Encashment	**255.12**	298.23
	(b) Unused Tax Losses	**-**	7.13
	(c) Others	**3.33**	22.20
	Total Deferred Tax Assets (B)	**258.45**	327.56
	Total (A - B)	**4,579.23**	4,119.47

Reconciliation of Deferred Tax Liabilities(Net):

Particulars	**31st March, 2019**	31st March, 2018
Opening Balance	**4,119.47**	3,740.84
Tax Expense/(Income) during the period recognised in Profit or Loss	**495.91**	408.54
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	**(36.15)**	(29.91)
Tax Expense/(Income) during the period recognised directly in Other Equity	**-**	-
Closing balance	**4,579.23**	4,119.47

Movements in DTA:

Particulars	**Leave Encashment**	**Unused Tax losses**	**Others**	**Total**
At 1st April, 2017	263.20	7.08	18.92	289.20
(Charged)/Credited:				
to Profit or Loss	5.12	0.05	3.28	8.45
to Other Comprehensive Income	29.91	-	-	29.91
At 31st March, 2018	298.23	7.13	22.20	327.56
(Charged)/Credited:				
to Profit or Loss	(79.26)	(7.13)	(18.87)	(105.26)
to Other Comprehensive Income	36.15	-	-	36.15
At 31st March, 2019	**255.12**	**-**	**3.33**	**258.45**

Movements in DTL:

Particulars	**Assets : Impact of difference between carrying value and tax base of Depreciable assets**	**Impact of difference between Carrying value and tax base of Investments in Mutual Funds**	**Total**
At 1st April, 2017	3,901.92	128.12	4,030.04
(Charged)/Credited:			
to Profit or Loss	297.21	119.78	416.99
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2018	4,199.13	247.90	4,447.03
(Charged)/Credited:			
to Profit or Loss	158.50	232.15	390.65
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2019	**4,357.63**	**480.05**	**4,837.68**

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 21. BORROWINGS - CURRENT		
	Loans Repayable on Demand (Secured)		
	From State Bank of India		
	Cash Credit	**1,819.36**	2,434.63
	Total	**1,819.36**	2,434.63

Notes :

21.1 Secured by hypothecation of entire Current Assets, windmills at villages Kadoli and Kalyanpur and equitable mortgage of Fixed Assets situated at 9, GIDC Industrial Estate and Residential Colony, Kadi for Cash Credit and e-VFS facilities.

21.2 Rate of interest on cash credit facility is chargeable at 0.15% above 1 year MCLR.

21.3 Rate of interest on e-VFS facility is chargeable at 0.10% above 3 months MCLR.

	Note - 22. TRADE PAYABLES - CURRENT		
1	Total outstanding dues of micro and small enterprises*	**2,881.48**	471.34
2	Total outstanding dues of creditors other than micro and small enterprises*	**6,537.08**	7,310.03
	Total	**9,418.56**	7,781.37

* Disclosures with respect to amount due to MSME is given in Note No. 42 and due to related parties is given in Note No. 38

	Note - 23. OTHER FINANCIAL LIABILITIES - CURRENT		
1	Unpaid dividends*	**100.80**	88.67
2	Retention money payable	**358.47**	328.48
3	Others		
	(i) Employee related payable	**3,307.61**	3,327.90
	(ii) Expenses payable	**12,470.04**	10,923.71
	Total	**16,236.92**	14,668.76

* Not due for deposit in the Investor Education and Protection Fund

	Note - 24. OTHER CURRENT LIABILITIES		
1	Payable towards Statutory dues	**1,298.81**	1,029.80
2	Contract Liability - *Advances received from Customers**	**1,028.94**	758.81
	Total	**2,327.75**	1,788.61
	*** Contract Liability - *Advances received from Customers***		
	Opening Balance of Contract Liability	**758.81**	555.30
	Add : Addition of Contract Liability - Advances received from Customers	**1,028.94**	758.81
	Less : Revenue recognised during the reporting period	**(758.81)**	(555.30)
	Closing Balance of Contract Liability	**1,028.94**	758.81

	Note - 25. CURRENT PROVISIONS		
	Provision for Leave Encashment	**272.43**	371.75
	Total	**272.43**	371.75

	Note - 26. CURRENT TAX LIABILITIES (NET)		
	Provision for tax (Net)	**1,360.43**	931.05
	Total	**1,360.43**	931.05

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 27. REVENUE FROM OPERATIONS		
	Revenue from Operations		
A	**Revenue from Contracts with Customers**		
	(a) Sale of products (Building Products)	**1,33,943.49**	1,18,868.38
	(b) Sale of services	**46.94**	37.78
		1,33,990.43	1,18,906.16
B	**Other Operating Revenue**		
	(a) Exports Incentives	**19.58**	16.40
	(b) Insurance Claims Received	**151.22**	280.89
	(c) Foreign Exchange Fluctuations (Net)	**74.36**	-
	(d) Miscellaneous Operating Income	**123.92**	64.33
		369.08	361.62
	Total	**1,34,359.51**	1,19,267.78

Notes :

27.1 Sale of products, include excise duty collected from customers of ` 1,059.66 lakhs for previous year.
Sale of products, net of excise duty is ` 1,17,808.72 lakhs for previous year.

27.2 Disaggregation of Revenue

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data :

(` in lakhs)

Particulars	Year ended 31st March, 2019
Product Type	
Goods	1,33,943.49
After Sales Services	46.94
Total	**1,33,990.43**
Contract Counterparties	
Dealers	1,33,943.49
Direct to Consumers	46.94
Total	**1,33,990.43**
Timing of Transfer of Goods and Services	
Point in time	1,33,990.43
Total	**1,33,990.43**

27.3 The impairment loss recognised on receivables arising from the Company's contracts with customers is disclosed in Note No. 11.

27.4 The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 24 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 24.1.

27.5 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

27.6 The impact of application of Ind AS 115 "Revenue from Contracts with Customers" on the financial statements of the Company for the reporting period is insignificant.

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 28. OTHER INCOME		
1	Interest Income from Financial Assets at Amortised Cost		
	(a) From Subsidiary company	**-**	95.39
	(b) On Security Deposits	**18.32**	17.52
	(c) Others	**151.18**	150.29
2	Dividend Income		
	(a) From Subsidiary company	**24.23**	44.95
	(b) From Mutual Funds	**12.51**	79.61
3	Profit on sale of Mutual Fund Units (Net)	**101.88**	101.85
4	Net Gain on Fair Valuation of Investments	**917.64**	379.07
5	Profit on Sale of Property, Plant and Equipment (Net)	**-**	146.77
6	Net Gain on Foreign Currency Translation	**-**	2.93
7	Miscellaneous Income	**38.39**	4.75
8	Items pertaining to Previous year, unspent liabilities & provisons no longer required written back (Net)	**300.54**	107.50
	Total	**1,564.69**	1,130.63

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 29. COST OF MATERIALS CONSUMED		
	Opening Stock	**1,874.22**	1,897.03
	Add: Purchases (Net)	**10,788.49**	8,938.34
	Sub Total	**12,662.71**	10,835.37
	Less: Closing Stock	**2,110.45**	1,874.22
	Total	**10,552.26**	8,961.15
	Note - 30. PURCHASES OF STOCK IN TRADE		
	Sanitaryware and other allied products	**55,508.79**	50,724.03
	Total	**55,508.79**	50,724.03
	Note - 31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS		
	Inventories at the end of the year:		
	Finished Goods	**3,423.08**	3,257.71
	Work-in-progress	**718.11**	648.57
	Stock-in-Trade	**10,347.09**	9,091.21
		14,488.28	12,997.49
	Inventories at the begining of the year:		
	Finished Goods	**3,257.71**	2,910.46
	Work-in-progress	**648.57**	464.11
	Stock-in-Trade	**9,091.21**	6,605.43
		12,997.49	9,980.00
	Change in stock	**(1,490.79)**	(3,017.49)
	Change in excise duty on closing stock of previous year	**-**	(340.10)
	Total	**(1,490.79)**	(3,357.59)
	Note - 32. EMPLOYEE BENEFITS EXPENSE		
1	Salaries, Wages and Bonus	**14,005.83**	12,690.80
2	Contribution to Provident and other Funds	**741.07**	683.62
3	Staff and Labour Welfare Expenses	**893.57**	652.04
	Total	**15,640.47**	14,026.46

Note :

32.1 As per Ind AS 19 “Employee Benefits”, the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

Defined Contribution Plan :

The Company’s Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

Defined Benefit Plan :

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund.The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separtely to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

Gratuity :

The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Plan Features	
Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years

Leave Encashment : The benefits are governed by the Company's Leave Poliicy.

Key Features	
Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	(1/30) x (Basic Salary) x (Leave Days)
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

Risks associated to the Plan (Gratuity and Leave Encashment)

A.	Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B.	Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C.	Liquidity Risk	Risks on account of Employees resignation / retirement from the Company, resulting into strain on the cashflow.
D.	Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E.	Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

Key Assumptions considered (Gratuity and Leave Encashment)

Actuarial Assumptions		
A.	Discount Rate	7.75% p.a
B.	Salary Growth Rate	6.00% p.a.
C.	Rate of Interest on Plan Assets	7.75% p.a
D.	Mortality	IALM 2006-08 Ultimate
E.	Withdrawal Rate	6.00% p.a.
Financial Assumptions		
A.	Discount Rate	7.75% p.a
B.	Salary Growth Rate	6.00% p.a.
Demographic Assumptions		
A.	Withdrawal Rate	-
B.	Mortality Rate	-

(` in lakhs)

Particulars	**2018-19**		2017-18	
	Gratuity (Funded)	**Leave Encashment (Non-Funded)**	Gratuity (Funded)	Leave Encashment (Non-Funded)
Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of the year	**1,635.46**	**853.45**	1,504.91	758.49
Current Service Cost	**159.74**	**100.27**	145.00	99.24
Interest Cost	**126.75**	**66.14**	120.39	60.68
Actuarial (Gain) / Losses recognised in Other Comprehensive Income	**-**	**-**	-	-
Due to Change in demographic assumption	**-**	**-**	-	-
Due to Change in financial assumptions (Gain)	**29.86**	**11.30**	(56.11)	(21.91)
Due to Experience adjustments (Loss)	**19.04**	**92.15**	96.94	107.52
Benefits paid	**(200.65)**	**(349.82)**	(175.67)	(150.57)
Prior year Charge	**-**	**-**	-	-
Defined Benefit Obligation at year end	**1,770.20**	**773.49**	1,635.46	853.45
Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of Plan Assets at beginning of the year	**1,635.46**	**-**	1,498.27	-
Expenses Deducted from the Fund	**-**	**-**	-	-
Expected return on Plan Assets	**126.75**	**-**	116.11	-
Actuarial Gain / (Loss)	**(7.02)**	**-**	(12.21)	-
Employer Contribution	**215.66**	**-**	208.96	-
Benefits paid	**(200.65)**	**-**	(175.67)	-
Fair Value of Plan Assets at year end	**1,770.20**	**-**	1,635.46	-
Return on Plan Assets recognised in Other Comprehensive Income	**55.91**	**-**	53.04	-
Actual return on Plan Assets	**119.73**	**-**	103.90	-

(` in lakhs)

Particulars	2018-19 Gratuity (Funded)	2018-19 Leave Encashment (Non-Funded)	2017-18 Gratuity (Funded)	2017-18 Leave Encashment (Non-Funded)
Reconciliation of fair value of assets and obligations				
Fair value of Plan Assets	**1,770.20**	**-**	1,635.46	-
Present value of Obligation	**1,770.20**	**773.49**	1,635.46	853.45
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	**-**	**(773.49)**	-	(853.45)
Expense recognized during the year				
Current Service Cost	**159.74**	**100.27**	145.00	99.24
Interest Cost	**126.75**	**66.14**	120.39	60.68
Expenses dedcuted from the fund	**-**	**-**	-	-
Expected return on plan Assets	**(126.75)**	**-**	(116.11)	-
Net Cost	**159.74**	**166.41**	149.28	159.92
Investment Details				
Debt Instruments				
Government of India Securities	**37.39%**	**-**	31.83%	-
High Quality Coporate Bonds	**43.35%**	**-**	47.33%	-
State Government Securities	**5.09%**	**-**	7.57%	-
Cash and Cash Equivalents				
Fixed Deposits	**-**	**-**	-	-
Bank Balances	**-**	**-**	-	-
Special Deposit Scheme	**0.52%**	**-**	0.62%	-
Investment Funds				
Insurance Policies	**11.41%**	**-**	11.69%	-
Others				
Mutual Funds	**2.24%**	**-**	0.96%	-

Actuarial assumptions

Mortality Table	**IALM 2006-08 Ultimate**	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Discount Rate	**7.75%**	**7.75%**	8.00%	8.00%
Expected Rate of Return	**7.75%**	**-**	7.75%	-
Rate of escalation in Salary	**6.00%**	**6.00%**	6.00%	6.00%

Sensitivity Analysis

Particulars	Changes in assumption	Increase in assumption: Increase / Decrease by	**31st March, 2019**	31st March, 2018	Decrease in assumption: Increase / Decrease by	**31st March, 2019**	31st March, 2018
Impact on Defined Benefit Obligation (Gratuity)							
Discount Rate	1%	Decrease by	**6%**	6%	Increase by	**7%**	7%
Salary Growth Rate	1%	Increase by	**7%**	7%	Decrease by	**6%**	6%
Withdrawal Rate	1%	Increase by	**1%**	1%	Decrease by	**1%**	1%
Impact on Defined Benefit Obligation (Leave Encashment)							
Discount Rate	1%	Decrease by	**5%**	5%	Increase by	**6%**	5%
Salary Growth Rate	1%	Increase by	**6%**	5%	Decrease by	**6%**	5%
Withdrawal Rate	1%	Increase by	**1%**	1%	Decrease by	**1%**	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Funding arrangements and funding policy :

Gratuity liability is funded whereas leave Benefits Liability is not funded. There are no minimum funding requirements for Leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds, special deposit scheme, mutual funds etc., as per rules and regulations. Every year, the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Amounts for the current and previous years are as follows

(` in lakhs)

	Particulars	31st March, 2019	31st March, 2018
1	**Gratuity (Funded)**		
	Defined Benefit Obligation	**1,770.20**	1,635.46
	Plan Assets	**1,770.20**	1,635.46
	Surplus / (Deficit)	**-**	-
	Experience adjustments on Plan Liability (Loss)	**19.04**	96.94
	Experience adjustments on Plan Assets	**(7.02)**	(12.21)
2	**Leave encashment (Non-Funded)**		
	Defined Benefit Obligation	**773.49**	853.45
	Experience adjustments on Plan Liability	**92.15**	107.52

Company's estimate of Contributions expected to be paid during Financial Year 2019-20 is as under:

(i)	**Defined Contribution Plan :**	
	(a) Employer's contribution to Provident Fund	12% of Basic Salary
(ii)	**Defined Investment Plan :**	
	(a) Gratuity	184.51
	(b) Leave Encashment	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority,promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Note - 33. FINANCE COSTS			
1	Interest Costs		
	(a) Interest on financial liabilities	**232.47**	447.47
	(b) For Income Tax	**75.00**	68.00
2	Other Borrowing Costs	**10.02**	8.41
3	Net Loss on Foreign Currency Translation (attributable to finance cost)	**6.29**	-
	Total	**323.78**	523.88
Note - 34. DEPRECIATION & AMORTIZATION EXPENSE			
1	Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	**2,235.70**	2,154.71
2	Amortization of Other Intangible assets (Refer Note No. 5)	**49.13**	81.05
	Total	**2,284.83**	2,235.76

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Note - 35. OTHER EXPENSES			
1	Stores, Spares, Chemicals and Packing Materials Consumed	**3,387.82**	3,052.29
2	Power and Fuel	**2,955.54**	2,577.18
3	Repairs and Maintenance		
	- To Buildings	**61.41**	108.41
	- To Plant and Equipment	**256.13**	255.05
	- To Others	**182.83**	151.41
4	Auditors' Remuneration		
	- As Audit Fees	**7.50**	5.00
	- For Other services	**4.10**	7.75
	- For Reimbursement of expenses	**0.75**	0.63
5	Research & Development Expenses	**129.71**	139.69
6	Freight and Forwarding Expenses (Net)	**7,596.89**	6,348.88
7	Sales Promotion Expenses	**8,011.74**	6,705.25
8	Publicity & Advertisement Expenses	**5,220.31**	4,551.12
9	Bad Debts	**8.37**	-
10	Allowance for Expected Credit Loss	**68.96**	163.00
11	Rent Expenses	**840.83**	749.10
12	Insurance	**1,698.55**	1,433.97
13	Rates and Taxes	**23.18**	19.17
14	Loss on Sale of Property, Plant and Equipment (Net)	**62.54**	-
15	Directors' Commission	**28.00**	10.00
16	Directors' Sitting fees	**2.40**	1.30
17	Foreign Exchange Fluctuations (Net)	**-**	41.09
18	Donation	**29.43**	10.69
19	CSR Expenses	**306.83**	279.29
20	Amortization of Prepaid Rentals	**18.74**	18.12
21	Miscellaneous Expenses	**4,185.77**	4,152.99
	Total	**35,088.33**	30,781.38
Note - 36. CURRENT TAX			
1	Current Tax	**6,015.29**	5,009.99
2	Current Tax - for earlier years	**-**	-
	Total	**6,015.29**	5,009.99

Reconciliation of the Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.

Particulars	31st March, 2019	31st March, 2018
Accounting Profit before Income Tax	**18,016.53**	15,443.68
Add : Interest Expense on Income Tax (Refer Note No. 33)	**75.00**	68.00
Accounting Profit before Income Tax	**18,091.53**	15,511.68
India's Statutory Income Tax Rate of 34.944%	**6,321.90**	5,368.28
Due to Income exempt from Taxation	**(12.84)**	(43.11)
Non-Deductible Expenses for Tax purposes	**1,413.33**	573.08
Deductible Expenses for Tax purposes	**(1,008.85)**	(355.91)
Income not chargeable for Tax purpose	**(217.99)**	(123.81)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	**15.65**	-
Income Tax Expense reported in the Statement of Profit and Loss	**6,511.20**	5,418.53

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Note - 37. EARNINGS PER SHARE			
1	Net Profit attributable to the Equity Shareholders (` in lakhs) (A)	**11,505.33**	10,025.15
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	**1,30,05,874**	1,30,05,874
3	Nominal value of Equity Shares (`)	**5**	5
4	Basic/Diluted Earnings per Share (`) (A/B)	**88.46**	77.08

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains the same.

Note - 38. RELATED PARTY DISCLOSURE

38.1 List of Related Parties

(A) Subsidiaries:

Sr. No.	Name	Place of Business & Country of Incorporation	Ownership Interest held by the Company directly or indirectly As at 31st March, 2019	As at 31st March, 2018
1	Anjani Tiles Limited	Gudur, India	**51%**	51%
2	Packcart Packaging LLP	Kadi, India	**51%**	51%
3	Race Polymer Arts LLP	Mehsana, India	**51%**	-

(B) Key Management Personnel:

Sr. No.	Name	Designation
1	Shri Vikram Somany	Chairman and Managing Director
2	Smt.Deepshikha Khaitan	Vice Chairperson Non Executive
3	Shri Subhash Chandra Kothari	Chief Executive Officer
4	Shri Atul Sanghvi	Executive Director
5	Shri R. B. Shah	CFO & COO (Fin. & Comm.)
6	Shri N. N. Patel	President & Company Secretary
7	Shri Sajan Kumar Pasari	Non Executive Independent Director
8	Shri Lalit Kumar Bohania	Non Executive Independent Director
9	Shri Jugal Kishore Taparia	Non Executive Independent Director
10	Shri Ayush Bagla	Non Executive Independent Director (w.e.f. 18.04.2018)
11	Shri Surendra Singh Baid	Non Executive Independent Director (w.e.f. 18.04.2018)
12	Ms. Akriti Jain	Non Executive Independent Director (w.e.f. 01-11-2018)
13	Shri Govindbhai Patel	Non Executive Independent Director (ceased as Director w.e.f. 18.04.2018)

(C) Other Related Parties:

Sr. No.	Particulars	Nature of Relationship
1	Cera Sanitaryware Limited FZC - Sharjah	Entities where significant influence is excercised by KMP and / or their relatives having transactions with the Company
2	Cera Sanitaryware Trading LLC - Dubai	
3	Madhusudan Industries Limited	
4	Swadeshi Fan Industries	
5	Cera Foundation	
6	Indian Council of Sanitaryware Manufacturers	
7	Vikram Investment Co. Pvt. Limited	
8	Madhusudan Holdings Limited	
9	Madhusudan Gratuity Fund	
10	Milo Tile LLP	
11	Smt. Smiti Somany	Relative of Key Management Personnel
12	Smt. Pooja Jain Somany	

38.2 Disclosures of Transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2019:

(` in lakhs)

Sr. No.	Nature of Transaction	Subsidiaries		Key Management Personnel		Other Related Parties	
		Year ended 31st March, 2019	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018
1	Revenue from Operations	-	-	-	-	94.04	446.51
2	Interest Received	-	95.39	-	-	-	-
3	Other Income	0.13	0.79	-	-	-	-
4	Purchase of Goods	7441.69	8,624.03	-	-	1,535.31	-
5	Investment in Shares	369.49	255.00	-	-	806.00	-
6	CSR Expenditure	-	-	-	-	306.83	279.29
7	Donation	-	-	-	-	29.17	7.92
8	Remuneration	-	-	1,432.11	1,330.00	65.44	48.99
9	Rent, Rates & Taxes	-	-	-	-	102.39	97.90
10	Other Service	-	-	12.40	13.30	25.53	18.43
11	Loans given	-	3,100.00	-	-	-	-
12	Loans recovered	-	3,100.00	-	-	-	-
13	Advances given	1,710.11	893.73	-	-	66.45	9.68
14	Advances Recovered	393.73	600.00	-	-	-	-
15	Contribution to Gratuity Fund	-	-	-	-	31.01	96.36
16	Advance Contribution	140.51	-	-	-	-	-
17	Dividend receivable on Preference Shares	24.23	44.95	-	-	-	-
	Grand Total	**10,079.89**	16,713.89	**1,444.51**	1,343.30	**3,062.17**	1,005.08
	(Receivables) Balance Outstanding at the year end	-	-	-	-	150.90	457.40
	(Payables) Balance Outstanding at the year end	85.54	38.34	-	-	362.80	-

38.3 The details of amounts due to or due from related parties as at 31st March, 2019 and 31st March, 2018 :

(` in lakhs)

Sr. No.	Particulars	**As at 31st March, 2019**	As at 31st March, 2018
1	Trade Receivables		
	From Other Related Parties		
	Cera Sanitaryware Limited FZC	150.90	457.40
	Total Trade Receivables from Related Parties	**150.90**	457.40
2	Trade Payables		
	(a) From Subsidiaries		
	Anjani Tiles Limited	43.77	-
	Packart Packaging LLP	41.77	38.34
	(b) From Other Related Parties		
	Milo Tile LLP	362.80	-
	Total Trade Payable to Related Parties (a+b)	**448.34**	38.34
3	Other Financial Assets & Advances		
	(a) Subsidiaries		
	Anjani Tiles Limited	1,532.00	293.73
	Race Polymer Arts LLP	218.62	-
	Sub Total (a)	1,750.62	293.73
	(b) Other Related Parties		
	Madhusudan Industries Limited	20.91	20.91
	Cera Sanitaryware Trading LLC	-	9.68
	Milo Tile LLP	66.45	-
	Sub Total (b)	87.36	30.59
	Total Other Financial Assets & Advances given to Related Parties (a+b)	**1,837.98**	324.32

38.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

(` in lakhs)

Sr. No.	Nature of Transaction	Related Parties	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Interest Received	Anjani Tiles Limited	**-**	95.39
2	Purchase of Goods	Anjani Tiles Limited	**6,556.74**	7,717.81
3	Investment in Shares	Anjani Tiles Limited	**-**	255.00
		Milo Tile LLP	**806.00**	-
		Race Polymers Arts LLP	**369.49**	-
4	CSR Expenses	Cera Foundation	**306.83**	279.29
5	Donation	Cera Foundation	**29.17**	7.92
6	Remuneration	Key Management Personnel	**1,432.11**	1,330.00
		Relatives to KMP	**65.44**	48.99
7	Rent, Rates & Taxes	Madhusudan Industries Limited	**102.39**	97.90
8	Other Services	Madhusudan Industries Limited	**15.73**	16.28
		Non Executive Directors	**12.40**	13.30
9	Loans given	Anjani Tiles Limited	**-**	3,100.00
10	Loans recovered	Anjani Tiles Limited	**-**	3,100.00
11	Advances given	Anjani Tiles Limited	**1,632.00**	893.73
		Cera Sanitaryware Trading LLC	**-**	9.68
		Race Polymer Arts LLP	**78.11**	-
		Milo Tile LLP	**66.45**	-
12	Advances Recovered	Anjani Tiles Limited	**393.73**	600.00
13	Advance Contribution	Race Polymer Arts LLP	**140.51**	-
14	Contribution to Gratuity fund	Madhusudan Gratuity Fund	**31.01**	96.36
15	Dividend receivable on Preference Shares	Anjani Tiles Limited	**24.23**	44.95

38.5 Breakup of compensation paid to Key Management Personnel

(` in lakhs)

Sr. No.	Particulars	Key Management Personnel	Year ended 31st March, 2019	Year ended 31st March, 2018
1	Short-Term Employee Benefits	Shri Vikram Somany	**569.96**	583.54
		Shri Subhash Chandra Kothari	**441.02**	344.23
		Shri Atul Sanghvi	**251.87**	230.88
		Dr. K. N. Maiti	**-**	38.03
		Shri R. B. Shah	**105.89**	83.35
		Shri N. N. Patel	**63.37**	49.97
	Commission	Smt. Deepshikha Khaitan	**2.00**	2.00
		Shri Sajan Kumar Pasari	**2.00**	2.00
		Shri Lalit Kumar Bohania	**2.00**	2.00
		Shri Govind bhai Patel	**2.00**	2.00
		Shri Jugal Kishore Taparia	**2.00**	2.00
		Dr. K.N.Maiti	**-**	2.00
	Sitting Fees	Smt. Deepshikha Khaitan	**0.50**	0.40
		Shri Sajan Kumar Pasari	**0.40**	0.10
		Shri Lalit Kumar Bohania	**0.40**	0.10
		Shri Jugal Kishore Taparia	**0.30**	0.30
		Shri Surendra Singh Baid	**0.30**	-
		Ms. Akriti Jain	**0.10**	-
		Shri Ayush Bagla	**0.40**	-
		Dr. K.N.Maiti	**-**	0.10
		Shri Govindbhai Patel	**-**	0.30
2	Post-Employment Benefits		**-**	-
3	Other-Long term benefits		**-**	-
4	Termination benefits		**-**	-
	Total		**1,444.51**	1,343.30

38.6 Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note – 39 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview:

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Company's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are outlined hereunder:

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables.

(i) Trade Receivables:

The Company extends credits to customers in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Expected Credit Loss (ECL):

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
0-3 months	Nil
3-6 months	Nil
6-12 months	Nil
Beyond 12 months	10 to 25

(` in lakhs)

Period	As at 31st March, 2019	As at 31st March, 2018
Ageing of past due but not impaired receivables:		
0-3 months	**24,636.35**	22,091.78
3-6 months	**1,682.81**	2,029.52
6-12 months	**1,790.63**	1,621.42
Beyond 12 months	**1,797.62**	1,186.70
Ageing of impaired trade receivables:		
0-3 months	**-**	-
3-6 months	**-**	-
6-12 months	**-**	-
Beyond 12 months	**206.61**	163.00

(ii) Cash and cash equivalents and Short-term investments:

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

(B) Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets / (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

(` in lakhs)

Particulars	**Note No.**	**As at 31st March, 2019**			**Total**
		Not later than one year	Later than one year and not later than five years	Later than five years	
Financial Assets					
Trade receivables	11	29,700.80	-	-	29,700.80
Others	7,14	344.64	1,080.24	-	1,424.88
Current investments	10	15,704.97	-	-	15,704.97
Cash and cash equivalents	12	606.93	-	-	606.93
Other bank balances	13	430.65	-	-	430.65
Total		46,787.99	1,080.24	-	47,868.23
Financial Liabilities					
Borrowings - Bank loans	21	1,819.36	-	-	1,819.36
Current payables	22,23	25,655.48	-	-	25,655.48
Non-current payables	18	-	2,251.80	-	2,251.80
Total		27,474.84	2,251.80	-	29,726.64

(` in lakhs)

Particulars	**Note No.**	**As at 31st March, 2018**			**Total**
		Not later than one year	Later than one year and not later than five years	Later than five years	
Financial Assets					
Trade receivables	11	26,766.42	-	-	26,766.42
Others	7,14	259.40	1,349.57	-	1,608.97
Current investments	10	10,859.42	-	-	10,859.42
Cash and cash equivalents	12	2,107.95	-	-	2,107.95
Other bank balances	13	196.25	-	-	196.25
Total		40,189.44	1,349.57	-	41,539.01
Financial Liabilities					
Borrowings – Bank loans	21	2,434.63	-	-	2,434.63
Current payables	22,23	22,450.13	-	-	22,450.13
Non-current payables	18	-	1,670.39	-	1,670.39
Total		24,884.76	1,670.39	-	26,555.15

(C) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest risk and other price risk such as commodity risk.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Company does not enter into financial instrument transactions for trading or speculative purpose.

The Company transacts business primarily in Indian Rupees, USD, Euro and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakhs)

Particulars	Currency	**As at 31st March, 2019**	As at 31st March, 2018
Trade receivables	USD	**5.41**	11.65
	AED	**0.33**	-
Trade payables	USD	**0.26**	0.06
	EUR	**0.47**	-
	NPR	**1.96**	-
Advance to suppliers	USD	**0.02**	0.24
	EUR	**2.26**	0.39
	GBP	**-**	0.04
	CNY	**5.76**	-
	AED	**0.02**	-
Advance from customers	USD	**0.63**	0.46
Balance in EEFC account	USD	**3.15**	0.70

Currency Rate	**31st March, 2019**	31st March, 2018
USD	**69.2024**	65.1434
EUR	**77.6487**	80.2852
GBP	**90.2565**	91.2884
AED	**18.8434**	-
CNY	**10.3119**	-
NPR	**0.6200**	-

Of the above foreign currency exposures, following exposures are not hedged: (in lakhs)

Particulars	Currency	**As at 31st March, 2019**	As at 31st March, 2018
Trade receivables	USD	**5.41**	11.65
	AED	**0.33**	-
Trade payables	USD	**0.26**	0.06
	EUR	**0.47**	-
	NPR	**1.96**	-
Advance to suppliers	USD	**0.02**	0.24
	EUR	**2.26**	0.39
	GBP	**-**	0.04
	CNY	**5.76**	-
	AED	**0.02**	-
Advance from customers	USD	**0.63**	0.46
Balance in EEFC account	USD	**3.15**	0.70

Sensitivity Analysis:

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(` in lakhs)

Particulars	Change in currency exchange rate	**Effect on Profit before tax 31st March, 2019**	Effect on Profit before tax 31st March, 2018
USD	5%	**26.60**	39.31
	-5%	**(26.60)**	(39.31)
EUR	5%	**6.95**	1.57
	-5%	**(6.95)**	(1.57)
GBP	5%	**-**	0.18
	-5%	**-**	(0.18)
AED	5%	**0.33**	-
	-5%	**(0.33)**	-
CNY	5%	**2.97**	-
	-5%	**(2.97)**	-
NPR	5%	**(0.06)**	-
	-5%	**0.06**	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

(ii) Interest Rate Risk:

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board. However, the risk is very low due to negligible borrowings by the Company.

The Company's non-current borrowings from banks are Nil as at 31st March, 2019 and 31st March, 2018 respectively. Other non-current financial liabilities have fixed rate of interest where the risk of changes in the interest rates is almost Nil. As a result, the sensitivity affecting the profit before tax due to the Company's exposure to the risk of changes in market interest rates is almost Nil.

(iii) Commodity Risk:

The Company is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Company enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

Capital Management:

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note 21, cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarizes the capital of the Company:

(` in lakhs)

Particulars	**31st March, 2019**	31st March, 2018
Equity	**70,015.62**	60,495.48
Current Borrowings (Note No. 21)	**1,819.36**	2,434.63
Total Debt	**1,819.36**	2,434.63
Gearing Ratio		
Debt to Equity	**2.60%**	4.02%

Note - 40. FINANCIAL INSTRUMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments.

(` in lakhs)

Particulars	Carrying value		Fair value	
	As at 31-March-19	As at 31-March-18	**As at 31-March-19**	As at 31-March-18
Financial Assets				
Financial assets measured at fair value				
Current				
Investments	**15,704.97**	10,859.42	**15,704.97**	10,859.42
Financial assets measured at amortized cost				
Non-Current				
Investments	**5,503.95**	3,058.21	**-**	-
Bank FDs with more than 12 months maturity (at amortized cost)	**521.45**	906.61	**-**	-
Margin Money Deposits held as security against Borrowings with more than 12 months maturity	**286.32**	270.41	**-**	-
Security Deposit	**131.96**	172.55	**-**	-
Advance Contribution	**140.51**	-	**-**	-
Current				
Security Deposit	**136.57**	26.55	**-**	-
Trade receivables	**29,700.80**	26,766.42	-	-
Cash and cash equivalents	**606.93**	2,107.95	**-**	-
Other bank balances	**430.65**	196.25	-	-
Dividend receivable	**24.23**	44.95	**-**	-
Insurance claims receivables	**130.66**	128.88	**-**	-
Advances	**53.06**	58.83	**-**	-
Interest accrued and receivable	**0.12**	0.19	**-**	-
Total	**53,372.18**	44,597.22	**15,704.97**	10,859.42
Financial Liabilities				
Financial liabilities measured at amortised cost				
Non-Current				
Deposits by Dealers	**2,229.57**	1,648.16	**-**	-
Other financial liabilities	**22.23**	22.23	**-**	-
Current				
Borrowings	**1,819.36**	2,434.63	**-**	-
Trade payables	**9,418.56**	7,781.37	**-**	-
Unpaid dividends	**100.80**	88.67	**-**	-
Retention money payable	**358.47**	328.48	**-**	-
Employee related payables	**3,307.61**	3,327.90	**-**	-
Expenses payables	**12,470.04**	10,923.71	**-**	-
Total	**29,726.64**	26,555.15	**-**	-

The management assessed that fair value of short-term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the Company's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

40.1 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets.

(` in lakhs)

Particulars			**Fair value measurement using**		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Disclosures fair value measurement hierarchy for assets as at 31st March, 2019:					
Assets measured at fair value:					
Investments There have been no transfers between Level 2 and Level 3 during the period.	31-Mar-19	15,704.97	15,704.97	-	-
Disclosures fair value measurement hierarchy for assets as at 31st March, 2018:					
Assets measured at fair value:					
Investments There have been no transfers between Level 2 and Level 3 during the year ended 31st March, 2018.	31-Mar-18	10,859.42	10,859.42	-	-

Note - 41. MOVEMENT IN PROVISIONS

Disclosure of Movement in Provisions during the year as per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets :

(` in lakhs)

Particulars	Balance as on 1st April, 2018	Provided during the year	Paid/Adjusted during the year	**Balance as on 31st March, 2019**
Non-current Provisions				
Accumulated leaves	481.70	19.36	-	501.06
Income Tax of earlier years	180.78	-	33.37	147.41
Total	662.48	19.36	33.37	**648.47**
Current Provisions				
Accumulated leaves	371.75	250.50	349.82	**272.43**
Total	371.75	250.50	349.82	**272.43**
Grand total	1,034.23	269.86	383.19	**920.90**

Note - 42. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(` in lakhs)

	Particulars	31st March, 2019	31st March, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	(i) Principal amount due to micro, small and medium enterprises	**54.47**	471.34
	(ii) Interest due on above	**-**	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(c)	"The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006".	**-**	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**-**	-

Note - 43. COMMITMENTS AND CONTINGENCIES

(a) Leases

Operating lease commitments

The Company has obtained some premises on operating leases. Few of the leases for premises are long term and are non - cancellable. Further, there is an escalation clause in the lease agreement.

Lease payments of ` 840.83 lakhs (previous year – ` 749.10 lakhs) have been recognized as an expense in the Statement of Profit and Loss during the year.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(` in lakhs)

	Particulars	31st March, 2019	31st March, 2018
	Not later than one year	**157.72**	89.59
	Later than one year but not later than five years	**568.39**	334.36
	Later than five years	**290.17**	-
(b)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**2,192.33**	2,642.35
(c)	**Contingent Liabilities**		
	Claims against the Company not acknowledged as debts (Net of Payments)	**124.38**	132.87
	Letters of Credit (Foreign & Inland) opened and guarantees given (Net)	**5,208.46**	4,609.10

Note - 44. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

(` in lakhs)

For Subsidiaries

Particulars	Anjani Tiles Limited		Packcart Packaging LLP		Race Polymer Arts LLP	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Investments*						
Investments at the beginning of the year	2,933.00	2,678.00	90.78	90.78	-	-
Addition during the year	-	255.00	-	-	369.49	-
Investments at the end of the year	**2,933.00**	**2,933.00**	**90.78**	**90.78**	**369.49**	**-**
Loans & advances**						
Loans at the beginning of the year	-	-	-	-	-	-
Addition during the year	-	3,100.00	-	-	140.51	-
Recovered during the year	-	(3,100.00)	-	-	-	-
Loans at the end of the year	**-**	**-**	**-**	**-**	**140.51**	**-**

For Associates

Particulars	Milo Tile LLP		Cera Sanitaryware Ltd FZC		Cera Sanitaryware Trading LLC	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Investments*						
Investments at the beginning of the year	-	-	2.20	2.20	32.10	32.10
Addition during the year	806.00	-	-	-	-	-
Investments at the end of the year	**806.00**	**-**	**2.20**	**2.20**	**32.10**	**32.10**
Loans & advances						
Loans at the beginning of the year	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-
Recovered during the year	-	-	-	-	-	-
Loans at the end of the year	-	-	-	-	-	-

*The company has paid amounts towards its Capital Contribution.

** The company has given loans for following purposes:

(a) To Race Polymer Arts LLP towards Advance Capital Contribution.

(b) To Anjani Tiles Limited towards Working Capital requirement in F.Y. 2017-18

Note - 45. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms of the provisions of the said Act, the Company was required to spend ` 302.07 lakhs (previous year ` 269.44 Lakhs) towards CSR activities during the year ended 31st March, 2019. The Company has incurred following expenditure towards CSR activities for the benefit of general public and in the neighbourhood of the manufacturing facilities of the Company.

(` in lakhs)

Sr. No.	**Particulars**	**Year Ended 31st March, 2019**	Year Ended 31st March, 2018
1	Prescribed CSR Expenditure (2% of Average Net Profits of the three immediately preceeding financial years)	**302.07**	269.44
2	Add : Unspent amount of previous year	**-**	-
	Total amount to be spent for the financial year	**302.07**	269.44
3	Details of CSR Expenditure during the financial year 2018-19		
	(a) Promoting education and enhancing vocational skills	**226.53**	98.63
	(b) Eradicating hunger, poverty, malnutrition, promoting health care and sanitation	**37.52**	145.55
	(c) Empowering women, setting up homes/hostels for women, orphans and old age homes	**22.00**	22.00
	(d) Ensuring Environment sustainability, conservation of natural resources	**-**	1.50
	(e) Rural Development	**17.78**	8.61
	(f) Protection of National Heritage Art & Culture	**3.00**	3.00
	Total Amount spent during the financial year	**306.83**	279.29
4	Amount Unspent, if any.	**-**	-

Note - 46. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development expenditure incurred is set out below

(` in lakhs)

Sr. No.	Particulars	2018-19	2017-18
1	Capital expenditure	**1.79**	35.50
2	Revenue expenditure	**129.71**	139.69

Note - 47. OPERATING SEGMENTS

The Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segments as required under Ind AS 108 “Operating Segment”.

The Revenue from transactions with the single external customer amounting to 10% or more of the Company’s Revenue is Nil.

Note - 48.

Balances of certain debtors, creditors, loans & advances and deposits are subject to confirmation. Due adjustments will be made on receipt thereof, if necessary.

Note - 49.

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

Note - 50. DIVIDENDS PAID AND PROPOSED

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
1	**Declared and paid during the year:**		
	Final dividend for FY 2017-18 : ` 12 per share (FY 2016-17 : ` 12 per share)	**1,560.70**	1,560.70
	Dividend Distribution Tax paid	**320.81**	317.72
2	**Proposed for approval at the ensuing annual general meeting (not recognised as a liability):**		
	Final dividend for FY 2018-19 : ` 13 per share (2017-18 : ` 12 per share)	**1,690.77**	1,560.70
	Dividend Distribution Tax	**347.54**	320.81

Note - 51.

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with relevant Indian Accounting Standard and Schedule III to the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue from Operations. Revenue for the year ended 31st March, 2019 and 31st March, 2018 are net of GST. The following additional information is being provided to facilitate such understanding.

(` in lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue from Operations (Gross)	**1,58,128.07**	1,39,206.09
GST Recovered	**23,768.56**	19,938.31
Revenue from Operations (Net)	**1,34,359.51**	1,19,267.78
Excise Duty on sales	**-**	1,059.66
Revenue from Operations excluding GST / Excise Duty	**1,34,359.51**	1,18,208.12

Note - 52.

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year’s classification.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany	(DIN:00048827)	Chairman and Managing Director
Deepshikha Khaitan	(DIN:03365068)	Vice Chairperson and Director
Sajan Kumar Pasari	(DIN:00370738)	Director
Lalit Kumar Bohania	(DIN:00235869)	Director
Surendra Singh Baid	(DIN:02736988)	Director
J. K. Taparia	(DIN:07509049)	Director
Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Independent Auditors' Report

To,
The Members of Cera Sanitaryware Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CERA SANITARYWARE LIMITED** (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2019, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs (consolidated financial position) of the Group as at 31st March, 2019, of consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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 ICAI*, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group 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 and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial

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 and its associates 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 the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ` 14200.42 lakhs and net assets of ` 1222.75 lakhs as at 31st March, 2019, total revenues of ` 7650.16 lakhs and net cash outflow of ` 15.24 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ` 2.61 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 1 subsidiary and 3 associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the reports of the other auditors.

(b) The share of loss for the year in Cera Sanitaryware Limited FZC (an associate) is ` 19.79 lakhs. The accumulated share of losses have exceeded the Parent Company's Interest in this associate and therefore, is reduced to zero. The Parent Company has not recognised the excess losses aggregating to ` 28.17 lakhs as at 31st March, 2019 and are to be recognised only to the extent that the Parent Company has incurred legal or constructive obligations or made payments on behalf of the associate (Para 39 of Ind AS-28 "Investments in Associates and Joint Ventures.")

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary Company covered under the Act, none of the directors of the Group covered under the Act, are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A".

(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 Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries:

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 45 to the consolidated financial statements.

    ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

FOR N. M. NAGRI & CO.
Chartered Accountants
Firm Regn. No.106792W
N. M. NAGRI
PROPRIETOR
Membership No. 016992

Place : Ahmedabad
Date : 14th May, 2019

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **CERA SANITARYWARE LIMITED** ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as 'Group') as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary Company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the 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 over financial reporting and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its Subsidiary Company, as aforesaid.

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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a Company incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 subsidiary Company which is a Company incorporated in India, is based on the corresponding reports of the auditors of the audit of such Company. Our opinion is not modified in respect of this matter.

FOR N. M. NAGRI & CO.
Chartered Accountants
Firm Regn. No.106792W
N. M. NAGRI
PROPRIETOR
Membership No. 016992

Place : Ahmedabad
Date : 14th May, 2019

Consolidated Balance Sheet as at 31st March, 2019

(` in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	4	**38,445.51**	35,906.51
(b) Capital work-in-progress	4	**1,901.09**	488.58
(c) Other Intangible Assets	5	**87.73**	71.07
(d) Intangible Assets under development	5	**52.77**	36.34
(e) Financial Assets			
(i) Investments	6	**2,080.93**	0.13
(ii) Other Financial Assets	7	**1,159.56**	1,536.71
(f) Other Non-current Assets	8	**1,344.21**	2,674.53
(2) Current Assets			
(a) Inventories	9	**21,577.55**	19,350.66
(b) Financial Assets			
(i) Investments	10	**15,704.97**	10,859.42
(ii) Trade Receivables	11	**29,835.44**	26,800.48
(iii) Cash and Cash Equivalents	12	**666.47**	2,166.98
(iv) Bank Balances other than (iii) above	13	**435.15**	196.25
(v) Other Financial Assets	14	**1,836.26**	1,315.19
(c) Other Current Assets	15	**3,953.17**	3,109.45
Total Assets		**1,19,080.81**	1,04,512.30
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	**650.29**	650.29
(b) Other Equity	17	**69,440.90**	59,912.06
Equity attributable to Owners of the Company		**70,091.19**	60,562.35
Non - Controlling Interests	17	**1,033.40**	674.38
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**3,955.44**	4,590.44
(ii) Other Financial Liabilities	19	**2,251.80**	1,670.39
(b) Provisions	20	**666.51**	685.83
(c) Deferred Tax Liabilities (Net)	21	**4,359.98**	3,905.05
(d) Other Non-current Liabilities	22	**15.54**	17.03
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**4,469.36**	4,591.21
(ii) Trade Payables			
- total outstanding dues of micro and small enterprises	24	**2,982.89**	439.12
- total outstanding dues of credtiors other than micro and small enterprises	24	**8,111.08**	9,014.67
(iii) Other Financial Liabilities	25	**16,929.24**	15,187.20
(b) Other Current Liabilities	26	**2,557.24**	1,850.89
(c) Provisions	27	**284.72**	373.97
(d) Current Tax Liabilities (Net)	28	**1,372.42**	949.77
Total Equity and Liabilities		**1,19,080.81**	1,04,512.30

The accompanying Notes 1 to 53 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany	(DIN:00048827)	Chairman and Managing Director
Deepshikha Khaitan	(DIN:03365068)	Vice Chairperson and Director
Sajan Kumar Pasari	(DIN:00370738)	Director
Lalit Kumar Bohania	(DIN:00235869)	Director
Surendra Singh Baid	(DIN:02736988)	Director
J. K. Taparia	(DIN:07509049)	Director
Akriti Jain	(DIN:08259413)	Director
Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(` in lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
I	**Revenue from Operations**	29	**1,35,154.90**	1,19,760.81
II	**Other Income**	30	**1,855.89**	1,447.78
III	**Total Income**		**1,37,010.79**	1,21,208.59
IV	**EXPENSES**			
	Cost of Materials Consumed	31	**13,966.03**	12,384.66
	Purchases of Stock-in-Trade	32	**48,952.04**	43,025.00
	Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	33	**(2,301.46)**	(3,847.08)
	Excise Duty on Sales		**-**	1,226.52
	Employee Benefits Expense	34	**16,546.13**	14,930.96
	Finance Costs	35	**854.21**	976.46
	Depreciation and Amortization Expense	36	**2,797.97**	2,714.19
	Other Expenses	37	**38,167.06**	34,305.61
	Total Expenses		**1,18,981.98**	1,05,716.32
V	**Profit before tax**		**18,028.81**	15,492.27
VI	**Tax Expense :**			
	(1) Current Tax	38	**6,027.75**	5,035.42
	Earlier year income tax	38	**1.23**	(0.39)
	(2) Deferred Tax		**489.79**	(155.19)
VII	**Profit after Tax**		**11,510.04**	10,612.43
	Add: Share of Profit / (Loss) from Associates		**4.55**	(6.89)
	Profit for the year		**11,514.59**	10,605.54
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the Defined Benefit Plan		**(154.62)**	(143.44)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**54.40**	49.77
	Total Other Comprehensive Income for the year (Net of Tax)		**(100.22)**	(93.67)
IX	**Total Comprehensive Income for the year**		**11,414.37**	10,511.87
	Profit for the year attributable to :			
	- Owners of the Company		**11,512.27**	10,317.77
	- Non-Controlling Interests		**2.32**	287.77
			11,514.59	10,605.54
	Other Comprehensive Income for the year attributable to :			
	- Owners of the Company		**(101.92)**	(91.97)
	- Non-Controlling Interests		**1.70**	(1.70)
			(100.22)	(93.67)
	Total Comprehensive Income for the year attributable to :			
	- Owners of the Company		**11,410.35**	10,225.80
	- Non-Controlling Interests		**4.02**	286.07
			11,414.37	10,511.87
X	**Earnings per equity share of face value of ` 5/- each**			
	(1) Basic	39	**88.52**	79.33
	(2) Diluted	39	**88.52**	79.33

The accompanying Notes 1 to 53 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

Rajesh B.Shah
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Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(` In lakhs)

	Particulars	Year ended 31st March, 2019 `	`	Year ended 31st March, 2018 `	`
A.	**Cash flows from Operating activities**				
	Net Profit before tax		**18,028.81**		15,492.27
	Adjustments for :				
	Depreciation	**2,797.97**		2,714.19	
	Property, Plant and Equipment written off	**7.80**		-	
	Provision for Expected Credit Loss	**68.96**		163.00	
	Amortization of Prepaid Rentals	**18.98**		18.36	
	Bad Debts	**8.37**		-	
	Finance Cost	**854.21**		976.46	
	Interest on Security Deposit	**(19.23)**		(18.17)	
	Interest Income	**(163.29)**		(167.04)	
	Deferred Income on Capital Subsidy	**(1.49)**		(2.48)	
	Interest Subsidy Receivable	**(4.60)**		(11.18)	
	Dividend Income	**(12.51)**		(79.61)	
	Foreign Exchange Variation (Income) / Loss	**(76.06)**		36.65	
	Profit on Sale of Investments	**(101.88)**		(101.85)	
	Net Gain on Fair Valuation of Investments in Mutual Funds	**(917.64)**		(379.07)	
	Sales Tax Incentive	**-**		(419.05)	
	Liabilities & Provisions no longer required, written back	**(300.57)**		(109.90)	
	Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	**62.54**		(146.77)	
			2,221.56		2,473.54
	Operating profit before working capital changes		**20,250.37**		17,965.81
	Adjustments for changes in working capital				
	(Increase)/Decrease in Inventories	**(2,226.91)**		(4,404.58)	
	(Increase)/Decrease in Trade and other receivables	**(3,077.36)**		(4,933.69)	
	(Increase)/Decrease in Other assets	**(1,342.00)**		1,765.44	
	Increase/(Decrease) in Trade and other liabilities	**4,605.74**		2,474.58	
	Increase/(Decrease) in Provisions	**(99.97)**		11.26	
			(2,140.50)		(5,086.99)
	Cash generated from operations		**18,109.87**		12,878.82
	Income Taxes paid		**(5,667.69)**		(5,336.21)
	Net cash generated by Operating activities (Total-A)		**12,442.18**		7,542.61
B.	**Cash flow from Investing activities**				
	Payments for Property, Plant and Equipments	**(5,668.91)**		(5,755.83)	
	Payments for Computer Software	**(82.36)**		(55.08)	
	Proceeds from sale of Property, Plant and Equipments & Intangible Assets	**249.84**		378.14	
	Payments for purchase of Debentures	**(1,206.02)**		-	
	Payments for Investments in Subsidiaries & Associates	**(806.00)**		-	
	Payments for purchase of Mutual Funds	**(19,557.78)**		(14,571.07)	
	Proceeds from sale of Mutual Funds	**15,731.75**		13,267.92	
	Proceeds from Fixed Deposits	**146.98**		2,366.52	
	Interest Income	**99.17**		167.69	
	Dividend Income	**33.23**		79.61	
	Capital Subsidy on Fixed Assets	**18.52**		21.00	
	Net cash used in Investing activities (Total-B)		**(11,041.58)**		(4,101.10)
C.	**Cash flow from Financing activities**				
	Repayment of Deposits	**-**		(1.63)	
	Proceeds from Issue of Preference Share Capital	**-**		245.00	
	Proceeds from Capital Contribution	**355.00**		-	
	Proceeds/ (Repayment) of Long-Term Borrowings (Net)	**(435.00)**		(1,306.80)	
	Proceeds/ (Repayment) of Short-Term Borrowings (Net)	**(121.85)**		473.62	
	Payment of Preference Dividend and Dividend Distribution Tax	**(75.99)**		-	
	Dividend on Equity Shares paid	**(1,560.70)**		(1,560.70)	
	Tax on Dividend	**(320.81)**		(317.72)	
	Finance Cost	**(741.76)**		(921.19)	
	Net cash used in Financing activities (Total-C)		**(2,901.11)**		(3,389.42)
	Net increase in Cash & cash equivalents (A+B+C)		**(1,500.51)**		52.09
	Cash & cash equivalent - Opening Balance		**2,166.98**		2,114.89
	Cash & cash equivalent - Closing Balance		**666.47**		2,166.98

(` In lakhs)

Particulars	Year ended 31st March, 2019 `	Year ended 31st March, 2018 `
Notes to Cash Flow Statement		
1. Components of Cash & cash equivalents		
Balances with banks	**658.62**	644.34
Cash on hand	**7.85**	12.39
Bank FDs with original maturity of less than 3 months	**-**	1,510.25
Cash & Cash equivalents considered in Cash Flow Statement	**666.47**	2,166.98

2. The above cash flow statement has been provided under the 'Indirect method' as set out in Indian Accounting Standard - 7 Statement of Cash Flows.

3. Reconciliation of Liabilities arising from Financing activities.

(` In lakhs)

Particulars	Outstanding as at 1st April, 2018	Cash Flows	Non-Cash changes	Outstanding as at 31st March, 2019
Long-term borrowings				
Term Loans	2,948.44	(435.00)	-	2,513.44
Preference Share Capital	2,077.00	-	-	2,077.00
Short-term Borrowings	4,591.21	(121.85)	-	4,469.36
Total Liabilities from Financing activities	**9,616.65**	**(556.85)**	**-**	**9,059.80**

Significant Accounting Policies **Note 3.7**

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

(` in lakhs)

	Particulars	No. of Shares	Amount
A.	**EQUITY SHARE CAPITAL**		
	Balance as at 1st April, 2017	**1,30,05,874**	650.29
	Changes during the year	**-**	-
	Balance as at 31st March, 2018	**1,30,05,874**	650.29
	Changes during the year	**-**	-
	Balance as at 31st March, 2019	1,30,05,874	650.29

(` in lakhs)

	Particulars	Reserves & Surplus: Security Premium	Reserves & Surplus: General Reserve	Reserves & Surplus: Retained Earnings	Other Comprehensive Income: Remeasurment of Defined Benefit Plan	Total Other Equity	Non-Controlling Interests	Total
B.	**OTHER EQUITY**							
	Balance as at 1st April, 2017	8,095.94	25,355.67	18,229.16	(116.09)	51,564.68	388.31	**51,952.99**
	Profit for the Year (A)	-	-	10,317.77	-	10,317.77	287.77	**10,605.54**
	Other Comprehensive Income (B)	-	-	-	(91.97)	(91.97)	(1.70)	**(93.67)**
	Total Comprehensive Income for the Year (A+B)	**-**	**-**	**10,317.77**	**(91.97)**	**10,225.80**	**286.07**	**10,511.87**
	Transferred from Statement of Profit and Loss	-	6,359.68	(6,359.68)	-	-	-	**-**
	Dividend on Equity Shares	-	-	(1,560.70)	-	(1,560.70)	-	**(1,560.70)**
	Tax on Dividend	-	-	(317.72)	-	(317.72)	-	**(317.72)**
	Balance as at 31st March, 2018	**8,095.94**	**31,715.35**	**20,308.83**	**(208.06)**	**59,912.06**	**674.38**	**60,586.44**
	Profit for the Year (C)	-	-	11,512.27	-	11,512.27	2.32	**11,514.59**
	Other Comprehensive Income (D)	-	-	-	(101.92)	(101.92)	1.70	**(100.22)**
	Total Comprehensive Income for the Year (C+D)	**-**	**-**	**11,512.27**	**(101.92)**	**11,410.35**	**4.02**	**11,414.37**
	Transferred from Statement of Profit and Loss	-	5,857.61	(5,857.61)	-	-	-	**-**
	Dividend on Equity Shares	-	-	(1,560.70)	-	(1,560.70)	-	**(1,560.70)**
	Tax on Dividend	-	-	(320.81)	-	(320.81)	-	**(320.81)**
	Increase in Non-Controlling Interest	-	-	-	-	-	355.00	**355.00**
	Balance as at 31st March, 2019	**8,095.94**	**37,572.96**	**24,081.98**	**(309.98)**	**69,440.90**	**1,033.40**	**70,474.30**

The accompanying Notes 1 to 53 are integral part of these Financial Statements.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
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Ayush Bagla	(DIN:01211591)	Executive Director
Atul Sanghvi	(DIN:00045903)	Executive Director & CEO

Significant Accounting Policies and other Explanatory Information to the Consolidated Financial Statements for the Financial Year ended 31st March, 2019

1. **Corporate Information**

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

The Consolidated Financial Statements include the consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity of the Parent Company and its undermentioned subsidiaries (hereinafter referred as the 'Group').

Company / Firm	Date of shareholding / membership	Country of incorporation	% of shareholding
Anjani Tiles Limited	23rd November, 2015	India	51%
Packcart Packaging LLP	24th June, 2016	India	51%
Race Polymer Arts LLP	09th May, 2018	India	51%

2. **Basis of Preparation**

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

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

These Consolidated Financial Statements of the Group as at and for the year ended 31st March, 2019 (including comparatives) were approved and authorised for issue by the Board of Directors of the Company on 14th May, 2019.

2.2 **Functional and Presentation Currency**

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

2.3 **Basis of Measurement**

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

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

2.4 **Basis of consolidation**

(i) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

(ii) The Consolidated Financial Statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profit/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The Consolidated Financial Statements have been presented to extent possible, in a same manner as Parent Company's Standalone Financial Statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

(iii) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

2.5 **Investments in Joint Venture and Associates**

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint venture. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity.

An investment in associate or joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in dilution of stake in the joint ventures and associates is recognised in the Consolidated Statement of Profit and Loss.

When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint venture.

3. **Significant Accounting Policies**

3.1 **Property, Plant and Equipment**

[a] **Tangible Assets**

[i] **Recognition and Measurement**

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

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

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

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

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

[ii] **Subsequent Expenditure**

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

[iii] **Derecognition**

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

[iv] **Research and Development Cost**

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

[v] **Depreciation / Amortization**

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

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013 except on fit-outs and other display assets at sales outlets and dies & moulds where useful life has been taken based on external/internal technical evaluation as under :

Particulars	Useful Life
Fit outs & other display assets at sales outlets	3 years
Dies & Moulds	3 years

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

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

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

[b] **Capital work-in-progress**

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

[c] **Intangible Assets**

[i] **Initial Recognition and Classification**

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

[ii] **Subsequent Expenditure**

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

[iii] **Amortization**

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

[iv] **Derecognition**

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

[v] **Intangible Assets under Development**

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

[d] **Impairment of Non Financial Assets**

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

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

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

3.2 **Borrowing Costs**

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

3.3 **Operating Cycle**

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

3.4 **Current versus Non-Current Classification**

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

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

* Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
* Held primarily for the purpose of trading.
* Expected to be realised / settled within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

3.5 **Inventories**

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

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

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

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

3.6 **Cash and Cash Equivalents**

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

3.7 **Cash Flow Statement**

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

3.8 **Provisions, Contingent Liabilities and Contingent Assets**

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

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

Contingent liability is disclosed in the case of :

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

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

3.9 **Earnings Per Share**

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

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

3.10 **Foreign Currency Transactions and Translations**

Initial Recognition

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

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

Measurement at the Balance Sheet Date

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

Treatment of exchange difference

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

3.11 **Revenue from Contracts with Customers**

Effective April 1, 2018 the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the financial results.

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

Revenue arises from sale of goods and rendering of services.

Sale of Goods

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

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

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

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

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

Rendering of Services

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

Interest, Dividends and Other Income

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

3.12 **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease transaction. 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 lessee :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in Finance Costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.13 **Employee Benefits**

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

Defined Contribution Plans

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

Defined Benefit Plans

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

Short-term Employee Benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

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

3.14 **Taxes on Income**

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

[i] **Current Tax**

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

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

[ii] **Deferred Tax**

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognised directly in equity / other comprehensive income is recognised in respective head and not in the Statement of Profit & Loss.

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

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

3.15 **Government Grants**

Government Grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the condition associated with the grant;

- In case of capital grants, they are then recognised in Statement of Profit and Loss on a systematic basis over the useful life of assets.
- In case of grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss on systematic basis in the periods in which the expenses are recognized.

3.16 **Equity, Reserves and Dividend Payments**

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

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

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.17 **Significant Judgments, Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Judgments

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

Contingencies

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

Estimates and Assumptions

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

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

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

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

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

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

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

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

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

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

(e) **Impairment of Financial Assets**

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

3.18 **Fair Value Measurement**

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

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

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

* Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

* Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

3.19 **Financial Instruments**

I. **Financial Assets**

(a) **Initial Recognition and Measurement**

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

(b) **Subsequent Measurement**

(i) **Financial assets carried at amortised cost**

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

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

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

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

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

(c) **Impairment of Financial Assets**

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

(d) **Derecognition of Financial Assets**

A financial asset is derecognised when :

* The Group has transferred the right to receive cash flows from the financial assets or

* Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

II. **Financial Liabilities**

Initial Recognition and Subsequent Measurement

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

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

III. **Fair Value of Financial Instruments**

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

IV. **Offsetting of Financial Instruments**

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

3.20 Recent Accounting Pronouncements

Standards issued but not yet effective

On 30th March, 2019, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019. These amendments will come into force for financial periods beginning on or after 1st April, 2019.

[i] **Ind AS 116 - Leases**

The Ministry of Corporate Affairs has notified Ind AS 116, 'Leases' applicable w.e.f. 1st April, 2019. This new Ind AS 116 will replace the existing standard, Ind AS 17 Leases, and related interpretations. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. This new standard introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements specified in Ind AS 17.

The standard permits two possible methods of transition:

1. Full Retrospective Method – Apply Ind AS 116 retrospectively to each prior period presented, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
2. Modified Retrospective Method – Apply Ind AS 116 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Group will adopt the standard on and from 1st April, 2019 by using modified retrospective method and will give cumulative effect on transition to equity. The effect on adoption of Ind AS 116 is expected to be insignificant.

[ii] **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, 'Uncertainty over Income Tax Treatments' which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments that the companies have used or plan to use in their income tax filing which is to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Group will adopt the standard on and from 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1st April, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

[iii] **Amendment to Ind AS 12 – Income taxes**

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

[iv] **Amendment to Ind AS 19 – Employee Benefits**

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

* to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
* to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The group is currently evaluating the effect of this amendment on the financial statements.

Notes to Consolidated financial statements for the year ended 31st March, 2019

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

Property, Plant and Equipment

(` in lakhs)

Sr. No.	Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Computers	Office Equipments	Vehicles	Total
1	**Deemed Cost of Assets**									
	As at 1st April, 2017	6.17	1,078.77	11,755.31	28,530.11	911.68	937.83	643.88	768.82	44,632.57
	Addition	-	155.65	1,272.54	2,410.48	181.93	101.04	42.37	248.96	4,412.97
	Disposal / Adjustments	-	-	(244.17)	(7.37)	-	(32.29)	(1.94)	(115.05)	(400.82)
	As at 31st March, 2018	6.17	1,234.42	12,783.68	30,933.22	1,093.61	1,006.58	684.31	902.73	48,644.72
	Addition	-	299.75	2,517.41	1,188.34	1,128.80	135.53	142.04	196.02	5,607.89
	Disposal / Adjustments	-	-	(8.99)	(726.64)	(11.96)	(32.74)	(5.92)	(110.11)	(896.36)
	As at 31st March, 2019	**6.17**	**1,534.17**	**15,292.10**	**31,394.92**	**2,210.45**	**1,109.37**	**820.43**	**988.64**	**53,356.25**
2	**Depreciation / Amortization**									
	As at 1st April, 2017	0.10	-	3,233.59	5,429.81	463.44	433.61	322.32	391.78	10,274.65
	Charge for the year	0.10	-	712.95	1,207.98	121.17	341.00	93.35	156.45	2,633.00
	Disposal / Adjustments	-	-	(53.57)	(0.85)	-	(27.12)	(1.73)	(86.17)	(169.44)
	As at 31st March, 2018	0.20	-	3,892.97	6,636.94	584.61	747.49	413.94	462.06	12,738.21
	Charge for the year	0.10	-	791.56	1,286.11	248.49	172.15	83.21	167.08	2,748.70
	Disposal / Adjustments	-	-	(0.93)	(455.06)	(8.03)	(27.64)	(5.51)	(79.00)	(576.17)
	As at 31st March, 2019	**0.30**	**-**	**4,683.60**	**7,467.99**	**825.07**	**892.00**	**491.64**	**550.14**	**14,910.74**
3	**Net Block**									
	As at 31st March, 2018	5.97	1,234.42	8,890.71	24,296.28	509.00	259.09	270.37	440.67	35,906.51
	As at 31st March, 2019	**5.87**	**1,534.17**	**10,608.50**	**23,926.93**	**1,385.38**	**217.37**	**328.79**	**438.50**	**38,445.51**

Capital work-in-progress	
As at 31st March, 2018	488.58
As at 31st March, 2019	**1,901.09**

Notes:

a. Previous period’s figures have been re-grouped / re-classified wherever required to current year’s classification.

b. Refer Notes No. 18 and 23 for information on Property, Plant and Equipment pledged as security by the group.

c. Cost of Buildings includes ownership offices in co-operative societies for ` 2,179.55 Lakhs (Previous year ` 343.35 Lakhs) including 40 shares of ` 50/- each and 10 shares of ` 50/- each in respective co-operative societies.

d. Capital work-in-progress mainly comprises of costs incurred on Plant & Equipments, Buildings and Furniture & Fixtures which are currently under installation / construction.

e. The amount of Contractual Commitments (Net of Advances) for the acquisition of Property, Plant & Equipment is ` 2,272.86 Lakhs as on 31.03.2019 and ` 2,642.35 lakhs as on 31.03.2018.

Note - 5. OTHER INTANGIBLE ASSETS

(` in lakhs)

Sr. No.	Particulars	Computer Softwares
1	**Deemed Cost of Assets**	
	As at 1st April, 2017	436.01
	Addition	18.74
	Disposal / Adjustments	-
	As at 31st March, 2018	454.75
	Addition	65.93
	As at 31st March, 2019	**520.68**
2	**Amortization**	
	As at 1st April, 2017	302.49
	Charge for the year	81.19
	Disposal / Adjustments	-
	As at 31st March, 2018	383.68
	Charge for the year	49.27
	As at 31st March, 2019	**432.95**
3	**Net Block**	
	As at 31st March, 2018	71.07
	As at 31st March, 2019	**87.73**

Intangible Assets under development	
As at 31st March, 2018	36.34
As at 31st March, 2019	**52.77**

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
Note - 6. INVESTMENTS - NON-CURRENT			
	Non-Current Investments		
	Trade Investments (valued at deemed cost unless otherwise specified)		
A	**Investments in Equity Instruments**		
	Investment in Associates (Unquoted)		
(a)	12 Equity Shares of Cera Sanitaryware Ltd. FZC-Sharjah of AED 1000/- each fully paid up (12 Shares as at 31st March, 2018)	**-**	1.80
	Add / (Less): Share of Profit / (Loss) from Associate (Refer Note no. 6.3 below)	**-**	(1.80)
	Total (a)	**-**	-
(b)	175 Equity Shares of Cera Sanitaryware Trading LLC-Dubai of AED 1000/- each fully paid up (175 Shares as at 31st March, 2018)	**-**	5.09
	Add / (Less): Share of Profit / (Loss) from Associate	**1.43**	(5.09)
	Total (b)	**1.43**	-
(c)	Milo Tile LLP	**806.00**	-
	Add / (Less): Share of Profit / (Loss) from Associate	**3.12**	-
	Total (c)	**809.12**	**-**
	Total A (a + b + c)	**810.55**	**-**
B	**Investments in Debentrues (At amortised cost)**		
(a)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures 100 Units of face value of ` 10,00,000 per unit (Nil as at 31st March, 2018)	**1,059.85**	-
(b)	Kotak Mahindra Prime Limited MLD 17JUL2020 - Secured, Redeemable, Principal Protected, Market Linked Non Convertible Debentures 20 Units of face value of ` 10,00,000 per unit (Nil as at 31st March, 2018)	**210.40**	-
	Total B (a + b)	**1,270.25**	-
C	**Investments in Government Securities**		
	National Savings Certificates* (at amortised cost)	**0.13**	0.13
	Total C	**0.13**	0.13
	Total (A + B + C)	**2,080.93**	0.13
	Aggregate Cost of Investments	**2,110.68**	34.43

* Government Securities: Deposited with Government Department

Notes :

6.1 In case of Investments in the Associates, viz. Cera Sanitaryware Ltd FZC - Sharjah and Cera Sanitaryware Trading LLC - Dubai, one of the partner / shareholder has expired during the F.Y. 2017-18 and the legal formalities to transfer his respective shareholdings in both the Associates to his successors are still in progress.

6.2 Ownership Interest in Associates :

Sr. No.	Name	Country of Incorporation	Ownership Interest of Cera Sanitaryware Limited (%) As on 31st Mar, 2019	Ownership Interest of Cera Sanitaryware Limited (%) As on 31st Mar, 2018	Activities
1	Shares of Cera Sanitaryware Limited FZC	Sharjah	**50%**	50%	Trading of Tiles, Flooring materials & Sanitaryware.
2	Shares of Cera Sanitaryware Trading LLC	Dubai	**25%**	25%	Trading of Tiles, Flooring materials & Sanitaryware.
3	Milo Tile LLP	India	**26%**	-	Manufacturing of Tiles

6.3 The share of loss for the year in Cera Sanitaryware Limited FZC (an associate) is ` 19.79 Lakhs. The accumulated share of losses have exceeded the Parent Company's Interest in this associate and therefore, is reduced to zero. The Parent Company has not recognised the excess losses aggregating to ` 28.17 lakhs as at 31st March, 2019 and are to be recognised only to the extent that the Parent Company has incurred legal or constructive obligations or made payments on behalf of the associate *(Para 39 of Ind AS-28 "Investments in Associates and Joint Ventures.")*

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 7. OTHER FINANCIAL ASSETS - NON-CURRENT		
	At amortized cost		
1	Security Deposits (Unsecured, considered good)	**334.99**	358.95
2	Bank FDs with more than 12 months maturity	**521.45**	906.61
3	Margin Money Deposits with a bank held as security against Borrowings with more than 12 months maturity	**303.12**	271.15
	Total	**1,159.56**	1,536.71
	Note - 8. OTHER NON-CURRENT ASSETS		
1	**Capital Advances**	**1,197.85**	2,541.22
2	**Advances other than Capital Advances**		
	(a) Others advances (Unsecured, considered good)		
	(i) Advance lease rentals - Leasehold Land	**3.50**	4.00
	(ii) Advance lease rentals - Security Deposits	**25.14**	18.31
	(iii) Other Security Deposit	**1.10**	0.20
	(b) Advance Income Tax for earlier years	**116.62**	110.80
	Total	**1,344.21**	2,674.53
	Note - 9. INVENTORIES		
	As taken, valued & certified by the Management		
	At lower of Cost and Net Realisable Value		
1	Raw Materials	**2,633.87**	2,566.36
2	Work-in-progress	**762.26**	705.36
3	Finished Goods	**5,605.93**	4,617.25
4	Stock-in-trade	**10,347.09**	9,091.21
5	Stores and Spares	**2,228.40**	2,370.48
	Total	**21,577.55**	19,350.66

Note :

9.1 Refer Note No. 23 for information on inventory pledged as security by the Group.

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 10. INVESTMENTS - CURRENT		
	Current Investments		
	Investments in Mutual Funds (Unquoted)		
	Measured at Fair Value through Profit & Loss (FVTPL)		
1	HDFC Credit Risk Debt Fund (in which HDFC Regular Savings Fund - Regular Plan Growth (Short Term) merged) 2234714.4310 Units NAV of ` 15.2551 (930965.7400 Units NAV of ` 34.4339 each as at 31st March, 2018)	**340.91**	320.57
2	ICICI Prudential Equity & Debt Fund - Growth (Formerly ICICI Prudential Balanced Fund - Growth) 29226.8180 Units NAV of ` 134.4400 each (29226.8180 Units NAV of ` 124.9000 each as at 31st March, 2018)	**39.29**	36.50
3	Franklin India Low Duration Fund - Growth 322333.0780 Units NAV of ` 21.7400 each (322333.0780 Units NAV of ` 19.9756 each as at 31st March, 2018)	**70.08**	64.39
4	IDFC Corporate Bond Fund - Regular Plan - Growth 9494369.4800 Units NAV of ` 12.7323 each (9494369.4800 Units NAV of ` 11.8882 each as at 31st March, 2018)	**1,208.85**	1,128.71
5	Kotak Medium Term Fund - Regular Plan - Growth 5087120.4570 Units NAV of ` 15.2838 each (5087120.4570 Units NAV of ` 14.4327 each as at 31st March, 2018)	**777.51**	734.21
6	L & T Low Duration Fund - Growth (Formerly L & T Short Term Income Fund - Growth) 709420.9890 Units NAV of ` 20.0334 each (709420.9890 Units NAV of ` 18.6781 each as at 31st March, 2018)	**142.12**	132.51
7	HDFC Short Term Debt Fund - Regular Plan - Growth (Formerly HDFC Short Term Opputunities Fund - Regular Plan - Growth) 1433856.2130 Units NAV of ` 20.6395 each (1433856.2130 Units NAV of ` 19.1747 each as at 31st March, 2018)	**295.94**	274.94
8	ICICI Prudential Short Term Fund - Growth Option 302519.6860 Units NAV of ` 38.6208 each (302519.6860 Units NAV of ` 36.1951 each as at 31st March, 2018)	**116.84**	109.50

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
9	HDFC Corporate Bond Fund - Regular Plan - Growth (Formerly HDFC Medium Term Opportunities Fund - Regular Plan - Growth) 1419333.0470 Units NAV of ` 20.8105 each (1419333.0470 Units NAV of ` 19.3109 each as at 31st March, 2018)	**295.37**	274.09
10	IDFC Credit Risk Fund - Regular Plan - Growth (Formerly IDFC Credit Opportunities Fund - Regular Plan - Growth) 2001380.9530 Units NAV of ` 11.3363 each (2001380.9530 Units NAV of ` 10.7189 each as at 31st March, 2018)	**226.88**	214.53
11	ICICI Prudential Bond Fund - Growth (Formerly ICICI Prudential Income Opportunities Fund - Growth) 2923816.4170 Units NAV of ` 25.7551 each (2923816.4170 Units NAV of ` 24.2666 each as at 31st March, 2018)	**753.03**	709.51
12	HDFC Banking & PSU Debt Fund - Regular Plan - Growth 3940457.2120 Units NAV of ` 15.0295 each (3940457.2120 Units NAV of ` 14.0585 each as at 31st March, 2018)	**592.23**	553.97
13	Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular Plan (Formerly Aditya Birla Sun Life Short Term Fund) 1454166.9740 Units NAV of ` 71.6785 each (1454166.9740 Units NAV of ` 66.4109 each as at 31st March, 2018)	**1,042.33**	965.73
14	Kotak Standard Multicap Fund - Growth - Regular Plan (Formerly Kotak Select Focus Fund) 673156.4100 Units NAV of ` 35.4780 each (673156.4100 Units NAV of ` 31.8130 each as at 31st March, 2018)	**238.82**	214.15
15	Kotak Standard Multicap Fund - Direct Plan - Growth - (Formerly Kotak Select Focus Fund) 44064.1350 Units NAV of ` 37.7190 each (44064.1350 Units NAV of ` 33.4750 each as at 31st March, 2018)	**16.62**	14.75
16	Franklin India Equity Fund - Regular Fund - Growth (Formerly Franklin India Prima Plus - Regular Fund - Growth) 37437.1750 Units NAV of ` 602.6341 each (37437.1750 Units NAV of ` 563.4348 each as at 31st March, 2018)	**225.61**	210.93
17	Franklin India Equity Fund - Direct - Growth (Formerly Franklin India Prima Plus Fund) 2574.9370 Units NAV of ` 639.4231 each (2574.9370 Units NAV of ` 592.0508 each as at 31st March, 2018)	**16.46**	15.24
18	ICICI Prudential Credit Risk Fund - Growth (Formerly ICICI Prudential Regular Savings Fund - Growth) 559816.3800 Units NAV of ` 19.8545 each (559816.3800 Units NAV of ` 18.5751 each as at 31st March, 2018)	**111.15**	103.99
19	Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan (Formerly Aditya Birla SunLife Equity Fund) 15938.5000 Units NAV of ` 730.6800 each (15938.5000 Units NAV of ` 688.2700 each as at 31st March, 2018)	**116.46**	109.70
20	SBI Blue Chip Fund -Regular Plan - Growth 301510.1040 Units NAV of ` 39.2092 each (239009.6650 Units NAV of ` 37.2226 each as at 31st March, 2018)	**118.22**	88.97
21	ICICI Prudential Large & Mid Cap Fund - Growth (Formerly ICICI Prudential Top 100 Fund - Regular Plan - Growth) 35193.8830 Units NAV of ` 325.0100 each (35193.8830 Units NAV of ` 310.0100 each as at 31st March, 2018)	**114.38**	109.10
22	Mirae Asset India Equity Fund - Regular Plan - Growth 243735.9450 Units NAV of ` 51.1710 each (193158.3820 Units NAV of ` 44.8070 each at 31st March, 2018)	**124.72**	86.55
23	Avendus Enhanced Return Fund - Class A 1 85349.7300 Units NAV of ` 1147.8785 each (50000.0000 Units NAV of ` 1042.6474 each as at 31st March, 2018)	**979.71**	521.32
24	SBI Liquid Fund Direct Growth (Formerly SBI Premier Liquid Fund - Direct Plan - Growth) 87007.6010 Units NAV of ` 2928.5700 each (18383.4810 Units NAV of ` 2724.3942 each as at 31st March, 2018)	**2,548.08**	500.84
25	SBI Savings Fund - Direct Plan - Growth 3764812.0250 Units NAV of ` 30.0391 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**1,130.92**	-

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
26	SBI Magnum Ultra Short Duration Fund Direct Growth 45496.5360 Units NAV of ` 4167.7965 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**1,896.20**	-
27	Avendus Absolute Return Fund - Class A6 60088.6134 Units NAV of ` 1055.2860 each (Nil Units NAV of ` NIL each at 31st March, 2018)	**634.11**	-
28	Axis Banking & PSU Debt Fund - Direct Growth (BD - DG) 44832.9110 Units NAV of ` 1769.5911 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**793.36**	-
29	IDFC Banking & PSU Debt Fund - Direct Plan - Growth 2954403.7030 Units NAV of ` 16.2265 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**479.40**	-
30	Axis Short Term Fund - Growth (ST - GP) 1282439.3020 Units NAV of ` 20.2245 each (Nil Units NAV of ` NIL each as at 31st March, 2018)	**259.37**	-
31	LIC MF Savings Plus - Direct Plan - Daily Dividend Nil Units NAV of ` NIL each (17311013.6750 Units NAV ` of 10.1000 each as at 31st March, 2018)	**-**	1,748.41
32	HDFC Regular Saving Regular Plan - Growth (Formerly Short Term Plan - Growth) Nil Units NAV of ` NIL each (1837195.1170 Units NAV of ` 34.4339 each as at 31st March, 2018)	**-**	632.62
33	Kotak Credit Risk Fund - Growth - Regular Plan (Formerly Kotak Income Opp. Fund) Nil Units NAV of ` NIL each (1768834.7230 Units NAV of ` 19.1037 each as at 31st March, 2018)	**-**	337.91
34	Aditya Birla Sun Life Medium Term Plan - Regular Fund - Growth Nil Units NAV of ` NIL each (472012.0460 Units NAV of ` 21.9777 each as at 31st March, 2018)	**-**	103.74
35	DSP Credit Risk Fund - Regular Plan - Growth Nil Units NAV of ` NIL each (362249.2780 Units NAV of ` 28.5951.each as at 31st March, 2018)	**-**	103.59
36	Franklin India Income Opp. Fund -Regular Fund - Growth Nil Units NAV of ` NIL each (508445.2760 Units NAV of ` 20.6513 each as at 31st March, 2018)	**-**	105.00
37	SBI Liquid Fund Regular Growth (Formerly SBI Premier Liquid Fund) Nil Units NAV of ` NIL each (868.0960 Units NAV of ` 2715.5341 each as at 31st March, 2018)	**-**	23.57
38	Mirae Asset Cash Management Fund - Regular Plan Growth Nil Units NAV of ` NIL each (1288.7730 Units NAV of ` 1814.7202 each as at 31st March, 2018)	**-**	23.39
39	Canara Robeco Emerging Equities - Regular Plan - Growth Nil Units NAV of ` NIL each (106872.4440 Units NAV of ` 90.2300 each as at 31st March, 2018)	**-**	96.43
40	Kotak Liquid - Regular Plan - Growth Nil Units NAV of ` NIL each (183.5241 Units NAV of ` 3512.8890 each as at 31st March, 2018)	**-**	6.45
41	Kotak Emerging Equity Scheme - Regular Plan - Growth Nil Units NAV of ` NIL each (235054.3200 Units NAV of ` 38.9870 each as at 31st March, 2018)	**-**	91.64
42	Franklin India Income Oppurtunities Fund- Growth Nil Units NAV of ` NIL each (445330.7080 Units NAV of ` 20.6513 each as at 31st March, 2018)	**-**	91.97
	Total	**15,704.97**	10,859.42
	Aggregate Cost of Unquoted Investments	**14,331.18**	10,149.97
	Aggregate Fair Value of Unquoted Investments	**15,704.97**	10,859.42

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 11. TRADE RECEIVABLES - CURRENT		
1	Trade Receivables considered good - Secured;	**2,127.07**	1,535.66
2	Trade Receivables considered good - Unsecured;	**27,475.44**	25,056.67
3	Trade Receivables which have significant increase in Credit Risk	**-**	-
4	Trade Receivables - Credit Impaired	**439.54**	371.15
		30,042.05	26,963.48
	Less: Allowance for expected credit losses on (4) above	**206.61**	163.00
	Total	**29,835.44**	26,800.48
	Movement in Allowance for expected credit losses		
	Balance at the beginning of the year	**163.00**	-
	Allowance for Expected credit losses provided during the year (Refer Note No. 37)	**68.96**	163.00
	Amounts written back during the year	**(6.06)**	-
	Amounts of Trade Receivables written off during the year	**(19.29)**	-
	Balance at the end of the year	**206.61**	163.00

Notes :

11.1 Refer Note No. 23 for information on Trade Receivables pledged as security by the Group.

11.2 No Trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

11.3 No Trade or other receivables are due from firms or private companies in which any director is a partner, director or a member.

11.4 Trade Receivables of the Group are non-interest bearing and are generally on credit terms up to 60 days.

11.5 Refer Note No. 40 for dues from an Associate. (Unsecured, considered good)

11.6 The opening balance as at 1st April, 2017 of Trade Receivables as required under Ind AS 115 is as under:

Sr.No.	Particulars	As at 1st April, 2017
1	Trade Receivables considered good - Secured;	1,045.58
2	Trade Receivables considered good - Unsecured;	20,683.11
3	Trade Receivables which have significant increase in Credit Risk	-
4	Trade Receivables - Credit Impaired	349.68
		22,078.37
	Less: Allowance for expected credit losses on (4) above	-
	Total	**22,078.37**

The opening and closing balances as at 31st March, 2018 and 31st March, 2019 are already given above.

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 12. CASH AND CASH EQUIVALENTS		
1	Balances with banks in current accounts	**658.62**	644.34
2	Cash on hand	**7.85**	12.39
3	Bank FDs with original maturity of less than 3 months	**-**	1,510.25
	Total	**666.47**	2,166.98
	Note - 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
1	Bank FDs with original maturity of more than 3 months but less than 12 months	**334.35**	107.58
2	Earmarked Balances with Banks (Unpaid Dividend)*	**100.80**	88.67
	Total	**435.15**	196.25
	* Not due for deposit in the Investor Education and Protection Fund		
	Note - 14. OTHER FINANCIAL ASSETS - CURRENT		
	At amortised cost (Unsecured, considered good)		
1	Security Deposits	**136.57**	26.55
2	Insurance claims receivables	**130.66**	128.88
3	Interest accrued and receivable	**0.77**	0.62
4	Advance to staff	**53.73**	51.51
5	Incentives / Grants Receivable from Government (Power & VAT / CST / SGST / Interest Subsidy)	**1,514.53**	1,097.95
6	Advance to related parties*	**-**	9.68
	Total	**1,836.26**	1,315.19

* Refer Note No. 40

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 15. OTHER CURRENT ASSETS		
	Advances other than Capital Advances (Unsecured, considered good)		
	Other Advances		
	(i) Prepaid Expenses	**671.90**	233.30
	(ii) Balance with Statutory/Government Authorities	**292.38**	170.73
	(iii) Advance lease rentals - Security Deposits	**18.16**	17.14
	(iv) Advance lease rentals - Leasehold Land	**0.50**	0.50
	(v) Advances to related parties*	**66.45**	-
	(vi) Other Advances	**2,903.78**	2,687.78
	Total	**3,953.17**	3,109.45

* Refer Note No. 40

Note - 16. SHARE CAPITAL

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	**Authorized Share Capital**		
	2,00,00,000 Equity Shares of ` 5/- each	**1,000.00**	1,000.00
	(2,00,00,000 Equity Shares of ` 5/- each as at 31st March, 2018)		
	Total	**1,000.00**	1,000.00
2	**Issued, Subscribed & Fully Paid Up Capital**		
	1,30,05,874 Equity Shares of ` 5/- each fully paid up	**650.29**	650.29
	(1,30,05,874 Equity Shares of ` 5/- each fully paid up as at 31st March, 2018)		
	Total	**650.29**	650.29

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	**Amount**	No. of shares	Amount
Shares outstanding at the beginning of the year	**1,30,05,874**	**650.29**	1,30,05,874	650.29
Add : Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**1,30,05,874**	**650.29**	1,30,05,874	650.29

16.2 Terms / Rights attached to Equity Share :

The Company has only one class of Equity Shares having a par value of ` 5/- per share. Each holder of Equity is entitled to one vote per share and each equity share carries an equal right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liqudation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Vikram Investment Pvt. Ltd.	**29,00,275**	**22.30%**	29,00,275	22.30%
Shri Vikram Somany	**9,45,847**	**7.27%**	9,45,847	7.27%
Smt Smiti Somany	**13,42,240**	**10.32%**	13,42,240	10.32%
HDFC Standard Life Insurance Company Ltd.	**7,02,576**	**5.40%**	6,28,232	4.83%

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

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Note - 17. OTHER EQUITY				
1	**Other Reserves**				
	(i) Securities Premium		**8,095.94**		8,095.94
	(ii) General Reserve				
	Balance as per last financial year	**31,715.35**		25,355.67	
	Add : Transferred from Statement of Profit and Loss	**5,857.61**		6,359.68	
			37,572.96		31,715.35
2	**Retained Earnings**				
	Balance as per last financial year	**20,308.83**		18,229.16	
	Add: Profit for the year	**11,512.27**		10,317.77	
	Less: Appropriations				
	Transferred to General Reserve	**(5,857.61)**		(6,359.68)	
	Dividend on Equity Shares (Dividend per share ` 12) (For the period ended 31st March, 2018)	**(1,560.70)**		(1,560.70)	
	Tax on Dividend	**(320.81)**		(317.72)	
			24,081.98		20,308.83
3	**Other Comprehensive Income**				
	Remeasurements of Defined Benefit Plans				
	Balance as per last financial year	**(208.06)**		(116.09)	
	Adjustments during the year				
	Add: Actuarial Loss on remeasurement of defined benefit plans	**(156.95)**		(141.09)	
	Less: Current Tax effect on Gratuity	**19.54**		18.53	
	Less: Deferred Tax on Leave Encashment	**35.49**		30.59	
			(309.98)		(208.06)
	Total		**69,440.90**		59,912.06

Nature and purpose of Other Reserves

a) Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

b) General Reserve

General Reserve is created out of profits earned by the Parent Company by way of transfer from surplus in the statement of profit and loss. The Parent Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subesquently reclassified to statement of profit and loss.

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 17. NON CONTROLLING INTERESTS		
	Balance as per last financial year	**97.16**	(188.91)
	Add: Profit for the year	**2.32**	287.77
	Add: Other Comprehensive Income	**2.33**	(2.35)
	Less: Deferred Tax on Other Comprehensive Income	**(0.63)**	0.65
	Total	**101.18**	97.16
	Add: Share Capital Portion of Non Controlling Interests	**932.22**	577.22
	Total	**1,033.40**	674.38

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 18. BORROWINGS - NON-CURRENT		
	Non-Current Borrowings		
1	**Term Loans (Secured)**		
	From Banks		
	(i) Federal Bank	**1,831.77**	2,431.77
	(ii) YES Bank Ltd.	**46.67**	81.67
2	**Preference Shares**		
	2,07,70,000 1% Cumulative Redeemable Preference Shares of ` 10/- each fully paid up (2,07,70,000 1% Cumulative Redeemable Preference Shares of ` 10/- each fully paid up as at 31st March, 2018)	**2,077.00**	2,077.00
	Total	**3,955.44**	4,590.44

Notes:

18.1 Terms of repayment of Term Loans from Federal Bank Ltd.

Term Loans from Federal Bank are secured by equitable mortgage of Industrial Land admeasuring of 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal and Factory Buildings and hypothecation of other fixed assets purchased out of the Term Loans proceeds, repayable in 22 quarterly installments, from April, 2017 to September, 2023.

18.2 Terms of repayment of Term Loans from Yes Bank Ltd.

Term Loans from Yes Bank Ltd. are secured by hypothecation of movable fixed assets and current assets situated at Survey No. 226, Kadi Chhatral Road, Budasan, Kadi - 382715, Dist. Mehsana, Gujarat, repayable in 48 monthly installments of ` 2.92 lakhs each starting from July, 2017 to June, 2021.

18.3 The reconciliation of the number of Preference Shares outstanding and amount of preference share capital is set out below:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	**Amount**	No. of Shares	Amount
Shares outstanding at the beginning of the year	**2,07,70,000**	**2,077.00**	1,83,20,000	1,832.00
Add: Shares issued during the year	**-**	**-**	2,450,000	245.00
Shares outstanding at the end of the year	**20,770,000**	**2,077.00**	2,07,70,000	2,077.00

18.4 Conditions of Redemption:

(a) 1% Cumulative Redeemable Preference Shares shall be redeemed on completion of 7 years from the respective dates of allotment or before due date as may be authorised by the Board of Directors of the issuing subsidiary by giving one month prior notice to the preference share holders.

(b) Repayment Schedule of 1% Cumulative Redeemable Preference Shares :

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Total
No. of shares	11,460,000	6,860,000	2,450,000	20,770,000
Amount	1,146.00	686.00	245.00	2,077.00

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 19. OTHER FINANCIAL LIABILITIES - NON-CURRENT		
1	Deposits by Dealers	**2,229.57**	1,648.16
2	Due to others	**22.23**	22.23
	Total	**2,251.80**	1,670.39
	Note - 20. PROVISIONS - NON-CURRENT		
1	**Provision for Employee Benefits**		
	(a) Provision for Leave Encashment	**509.41**	494.49
	(b) Provision for Gratuity	**9.69**	10.56
2	**Provision for Tax**		
	Provision for Income Tax of earlier years	**147.41**	180.78
	Total	**666.51**	685.83

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 21. DEFERRED TAX LIABILITIES (NET)		
1	**Deferred Tax Liabilities** (Arising on account of temporary difference)		
	(a) Assets: Impact of difference between carrying value and tax base of Depreciable assets	**4,928.78**	4,756.54
	(b) Impact of difference between carrying value and tax base of Investments in Mutual Funds	**480.05**	247.90
	Total Deferred Tax Liabilities (A)	**5,408.83**	5,004.44
2	**Deferred Tax Assets** (Arising on account of temporary difference)		
	(a) Leave Encashment and Gratuity	**262.48**	304.95
	(b) Unused Tax Losses	**49.31**	43.41
	(c) Depreciation Loss	**728.44**	723.05
	(d) Deferred Govt. Grant	**5.31**	5.78
	(e) Others	**3.31**	22.20
	Total Deferred Tax Assets (B)	**1,048.85**	1,099.39
	Total (A - B)	**4,359.98**	3,905.05

Reconciliation of Deferred Tax Liabilities (Net):

Particulars	**31st March, 2019**	31st March, 2018
Opening Balance	**3,905.05**	4,091.48
Tax Expense/(Income) during the period recognised in Profit or Loss	**489.79**	(155.19)
Tax Expense/(Income) during the period recognised in Other Comprehensive Income	**(34.86)**	(31.24)
Tax Expense/(Income) during the period recognised directly in Other Equity	**-**	-
Closing balance	**4,359.98**	3,905.05

Movements in DTA:

Particulars	**Leave Encashment and Gratuity**	**Unused Tax losses**	**Depreciation Loss**	**Deferred Govt. Grant**	**Others**	**Total**
At 1st April, 2017	265.33	21.48	116.48	-	18.92	422.21
(Charged)/Credited:						
to Profit or Loss	8.38	21.93	606.57	5.78	3.28	645.94
to Other Comprehensive Income	31.24	-	-	-	-	31.24
At 31st March, 2018	304.95	43.41	723.05	5.78	22.20	1,099.39
(Charged)/Credited:						
to Profit or Loss	(77.33)	5.90	5.39	(0.47)	(18.89)	(85.40)
to Other Comprehensive Income	34.86	-	-	-	-	34.86
At 31st March, 2019	**262.48**	**49.31**	**728.44**	**5.31**	**3.31**	**1,048.85**

Movements in DTL:

Particulars	**Assets : Impact of difference between carrying value and tax base of Depreciable assets**	**Impact of difference between carrying value and tax base of Investments in Mutual Funds**	**Total**
At 1st April, 2017	4,385.57	128.12	4,513.69
(Charged)/Credited:			
to Profit or Loss	370.97	119.78	490.75
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2018	4,756.54	247.90	5,004.44
(Charged)/Credited:			
to Profit or Loss	172.24	232.15	404.39
to Other Comprehensive Income	-	-	-
directly to Equity	-	-	-
At 31st March, 2019	**4,928.78**	**480.05**	**5,408.83**

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 22. OTHER NON CURRENT LIABILITIES		
	Deferred Govt. Grant (Capital Subsidy)	**15.54**	17.03
	Total	**15.54**	17.03
	Note - 23. BORROWINGS - CURRENT		
1	**Loans Repayable on Demand (Secured)**		
	(a) From State Bank of India		
	Cash Credit	**1,819.36**	2,434.63
	(b) From Federal Bank Ltd.		
	Cash Credit / WCDL	**2,450.00**	1,856.36
2	**Working Capital Demand Loan (Unsecured)**		
	From Federal Bank Ltd.	**200.00**	300.22
	Total	**4,469.36**	4,591.21

Notes :

23.1 Loans from State Bank of India are secured by hypothecation of entire Current Assets, windmills at villages Kadoli and Kalyanpur and equitable mortgage of Fixed Assets situated at 9, GIDC Industrial Estate and Residential Colony, Kadi for Cash Credit and e-VFS facilities.

23.2 Loans from Federal Bank Ltd. referred in 1(b) above, are secured by hypothecation of inventories and trade receivables and collaterally secured by way of equitable mortgage of land admeasuring 42.86 acres situated at Eguvarajupalem Village, Chillakur Mandal.

23.3 Terms of Loan from State Bank of India.

(i) Rate of interest on cash credit facility is chargeable at 0.15% above 1 year MCLR.

(ii) Rate of interest on e-VFS facility is chargeable at 0.10% above 3 months MCLR.

23.4 Terms of Loan from Federal Bank Ltd.

(i) Rate of interest on cash credit / WCDL facility is chargeable at 9.15% p.a for ` 2,400 lakhs & ` 50 lakhs @9.35%.

(ii) Unsecured Working Capital Demand Loan repayable within 30 days. Rate of interest is 10.35% p.a.

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 24. TRADE PAYABLES - CURRENT		
1	Total outstanding dues of micro and small enterprises*	**2,982.89**	439.12
2	Total outstanding dues of creditors other than micro and small enterprises*	**8,111.08**	9,014.67
	Total	**11,093.97**	9,453.79
	* Disclosure with respect to amount due to MSME is given in Note No. 44 and due to related parties is given in Note No.40		
	Note - 25. OTHER FINANCIAL LIABILITIES - CURRENT		
1	Current maturity of Long Term Debt	**635.00**	435.00
2	Unpaid dividends*	**100.80**	88.67
3	Retention money payable	**358.47**	328.48
4	Others		
	(i) Employee related payable	**3,314.66**	3,333.69
	(ii) Expenses payable	**12,490.29**	10,946.09
5	Dividend Payable on 1% Cumulative Preference Shares (including Dividend Distribution Tax)	**30.02**	55.27
	Total	**16,929.24**	15,187.20
	* Not due for depsoit in the Investor Education and Protection Fund		
	Note - 26. OTHER CURRENT LIABILITIES		
1	Payable towards Statutory dues	**1,330.08**	1,090.59
2	Contract Liabiltiy - *Advances received from Customers**	**1,225.67**	758.81
3	Deferred Govt. Grant (Capital Subsidy)	**1.49**	1.49
	Total	**2,557.24**	1,850.89
	*** Contract Liability - *Advances received from Customers***		
	Opening Balance of Contract Liability	**758.81**	555.30
	Add: Addition of Contract Liability - Advances received from Customers	**1,225.67**	758.81
	Less: Revenue recognised during the reporting period	**758.81**	555.30
	Closing Balance of Contract Liability	**1,225.67**	758.81

(` in lakhs)

Sr. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Note - 27. CURRENT PROVISIONS		
1	Provision for Leave Encashment	**279.27**	372.42
2	Provision for Bonus / Ex Gratia	**1.66**	-
3	Provision for Provident Fund payable	**0.76**	1.15
4	Provision for ESIC	**0.35**	0.39
5	Provision for Gratuity	**2.68**	0.01
	Total	**284.72**	373.97
	Note - 28. CURRENT TAX LIABILITIES (NET)		
	Provision for tax (Net)	**1,372.42**	949.77
	Total	**1,372.42**	949.77

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 29. REVENUE FROM OPERATIONS		
A	**Revenue from Contracts with Customers**		
	(a) Sale of products (Building Products)	**1,34,392.50**	1,18,944.22
	(b) Sale of services	**46.94**	37.78
		1,34,439.44	1,18,982.00
B	**Other Operating Revenue**		
	(a) Exports Incentives	**19.58**	16.40
	(b) Insurance Claims Received	**171.23**	280.89
	(c) Foreign Exchange Fluctuations (Net)	**76.06**	-
	(d) Miscellaneous Operating Income	**448.59**	481.52
		715.46	778.81
	Total	**1,35,154.90**	1,19,760.81

Notes :

29.1 Sale of products include excise duty collected from customers of ` 1,226.52 lakhs for previous year.
Sale of products net of excise duty is ` 1,17,717.70 lakhs for previous year.

29.2 Disaggregation of Revenue
Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data :

(` in lakhs)

Particulars	Year ended 31st March, 2019
Product Type	
Goods	1,34,392.50
After Sales Services	46.94
Total	**1,34,439.44**
Contract Counterparties	
Dealers	1,34,392.50
Direct to Consumers	46.94
Total	**1,34,439.44**
Timing of Transfer of Goods and Services	
Point in time	1,34,439.44
Total	**1,34,439.44**

29.3 The impairment loss recognised on receivables arising from the Group’s contracts with customers is disclosed in Note No. 11.

29.4 The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 11 and 26 respectively. Revenue recognised from opening balance of contract liability is disclosed in Note No. 26.1.

29.5 No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.

29.6 The impact of application of Ind AS 115 “Revenue from Contracts with Customers” on the financial statements of the Group for the reporting period is insignificant.

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 30. OTHER INCOME		
1	Interest Income from Financial Assets at Amortised Cost		
	(a) On Security Deposits	**19.23**	18.17
	(b) Others	**163.29**	167.04
2	Dividend Income from Mutual Funds	**12.51**	79.61
3	Profit on sale of Mutual Fund Units (Net)	**101.88**	101.85
4	Net Gain on Fair Valuation of Investments	**917.64**	379.07
5	Profit on Sale of Property, Plant and Equipment (Net)	**-**	146.77
6	Net Gain on Foreign Currency Translation	**-**	2.93
7	Items pertaining to Previous year, unspent liabilities & provisons no longer required written back (Net)	**300.57**	109.90
8	Miscellaneous Income	**61.76**	5.63
9	Sales Tax Incentive	**270.47**	419.05
10	Interest Subsidy	**7.05**	15.28
11	Deferred Income on Capital Subsidy	**1.49**	2.48
	Total	**1,855.89**	1,447.78
	Note - 31. COST OF MATERIALS CONSUMED		
	Opening Stock	**2,566.36**	2,349.24
	Add: Purchases (Net)	**14,033.54**	12,601.78
	Sub Total	**16,599.90**	14,951.02
	Less: Closing Stock	**2,633.87**	2,566.36
	Total	**13,966.03**	12,384.66
	Note - 32. PURCHASES OF STOCK IN TRADE		
	Sanitaryware and other allied products	**48,952.04**	43,025.00
	Total	**48,952.04**	43,025.00
	Note - 33. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS		
	Inventories at the end of the year:		
	Finished Goods	**5,605.93**	4,617.25
	Work-in-progress	**762.26**	705.36
	Stock-in-Trade	**10,347.09**	9,091.21
		16,715.28	14,413.82
	Inventories at the begining of the year:		
	Finished Goods	**4,617.25**	3,807.84
	Work-in-progress	**705.36**	494.58
	Stock-in-Trade	**9,091.21**	6,605.43
		14,413.82	10,907.85
	Change in stock	**(2,301.46)**	(3,505.97)
	Change in excise duty on closing stock of previous year	**-**	(341.11)
	Total	**(2,301.46)**	(3,847.08)
	Note - 34. EMPLOYEE BENEFITS EXPENSE		
1	Salaries, Wages and Bonus	**14,851.03**	13,526.83
2	Contribution to Provident and other Funds	**779.14**	728.78
3	Gratuity	**1.06**	2.52
4	Staff and Labour Welfare Expenses	**914.90**	672.83
	Total	**16,546.13**	14,930.96

Note :

34.1 As per Ind AS 19 “Employee Benefits”, the disclosures of employee benefits as defined in the Indian Accounting Standard are given below:

Defined Contribution Plan :

The Company’s Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognised as expenses for the year.

Defined Benefit Plan :

The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separtely to build up the final obligation.

The obligation for leave encashment is recognized as expense for the year.

Gratuity : The benefits are governed by the Payment of Gratuity Act, 1972. The key features are as under :

Plan Features	
Benefits offered	(15 / 26) x (Salary) x (Duration of Service in years)
Salary definition	Last drawn qualifying Salary
Benefit ceiling	Without limit
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	60 years

Leave Encashment : The benefits are governed by the Company’s Leave Poliicy.

Key Features	
Salary for Encashment	As per rules of the Company
Benefit event	Death or Resignation or Retirement or Availment
Maximum accumulation	As per rules of the Company
Benefit Formula	(1/30) x (Basic Salary) x (Leave Days)
Leave Denominator	Employee 30
Leave Credited Annually	Employee 30
Retirement age	60 years

Risks associated to the Plan (Gratuity and Leave Encashment)

A.	Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B.	Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C.	Liquidity Risk	Risks on account of Employees resignation / retirement from the Company, resulting into strain on the cashflow.
D.	Market Risk	Risks related to changes and fluctuations of the financial markets and assumptions depend on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
E.	Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

Key Assumptions considered (Gratuity and Leave Encashment)

Actuarial Assumptions		
A.	Discount Rate	7.75% p.a.
B.	Salary Growth Rate	6.00% p.a.
C.	Rate of Interest on Plan Assets	7.75% p.a.
D.	Mortality	IALM 2006-08 Ultimate
E.	Withdrawal Rate	6.00% p.a.
Financial Assumptions		
A.	Discount Rate	7.75% p.a.
B.	Salary Growth Rate	6.00% p.a.
Demographic Assumptions		
A.	Withdrawal Rate	-
B.	Mortality Rate	-

(` in lakhs)

Particulars	2018-19 Gratuity (Funded)	2018-19 Leave Encashment (Non-Funded)	2017-18 Gratuity (Funded)	2017-18 Leave Encashment (Non-Funded)
Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of the year	**1,635.46**	**853.45**	1,504.91	758.49
Current Service Cost	**159.74**	**100.27**	145.00	99.24
Interest Cost	**126.75**	**66.14**	120.39	60.68
Actuarial (Gain) / Losses recognised in Other Comprehensive Income	**-**	**-**	-	-
Due to Change in demographic assumption	**-**	**-**	-	-
Due to Change in financial assumptions (Gain)	**29.86**	**11.30**	(56.11)	(21.91)
Due to Experience adjustments (Loss)	**19.04**	**92.15**	96.94	107.52
Benefits paid	**(200.65)**	**(349.82)**	(175.67)	(150.57)
Prior year Charge	**-**	**-**	-	-
Defined Benefit Obligation at year end	**1,770.20**	**773.49**	1,635.46	853.45
Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of Plan Assets at beginning of the year	**1,635.46**	**-**	1,498.27	-
Expenses Deducted from the Fund	**-**	**-**	-	-
Expected return on Plan Assets	**126.75**	**-**	116.11	-
Actuarial Gain / (Loss)	**(7.02)**	**-**	(12.21)	-
Employer Contribution	**215.66**	**-**	208.96	-
Benefits paid	**(200.65)**	**-**	(175.67)	-
Fair Value of Plan Assets at year end	**1,770.20**	**-**	1,635.46	-
Return on Plan Assets recognised in Other Comprehensive Income	**55.91**	**-**	53.04	-
Actual return on Plan Assets	**119.73**	**-**	103.90	-
Reconciliation of fair value of assets and obligations				
Fair value of Plan Assets	**1,770.20**	**-**	1,635.46	-
Present value of Obligation	**1,770.20**	**773.49**	1,635.46	853.45
(Deficit) / Surplus amount of Plans recognised in Balance Sheet	**-**	**(773.49)**	-	(853.45)
Expense recognized during the year				
Current Service Cost	**159.74**	**100.27**	145.00	99.24
Interest Cost	**126.75**	**66.14**	120.39	60.68
Expenses dedcuted from the fund	**-**	**-**	-	-
Expected return on plan Assets	**(126.75)**	**-**	(116.11)	-
Net Cost	**159.74**	**166.41**	149.28	159.92
Investment Details				
Debt Instruments				
Government of India Securities	**37.39%**	**-**	31.83%	-
High Quality Coporate Bonds	**43.35%**	**-**	47.33%	-
State Government Securities	**5.09%**	**-**	7.57%	-
Cash and Cash Equivalents				
Fixed Deposits	**-**	**-**	-	-
Bank Balances	**-**	**-**	-	-
Special Deposit Scheme	**0.52%**	**-**	0.62%	-
Investment Funds				
Insurance Policies	**11.41%**	**-**	11.69%	-
Others				
Mutual Funds	**2.24%**	**-**	0.96%	-

Actuarial assumptions

Mortality Table	**IALM 2006-08 Ultimate**	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Discount Rate	**7.75%**	**7.75%**	8.00%	8.00%
Expected Rate of Return	**7.75%**	**-**	7.75%	-
Rate of escalation in Salary	**6.00%**	**6.00%**	6.00%	6.00%

Sensitivity Analysis

Particulars	Changes in assumption	Increase in assumption			Decrease in assumption		
		Increase / Decrease by	**31st March, 2019**	31st March, 2018	Increase / Decrease by	**31st March, 2019**	31st March, 2018
Impact On Defined Benefit Obligation (Gratuity)							
Discount Rate	1%	Decrease by	**6%**	6%	Increase by	**7%**	7%
Salary Growth Rate	1%	Increase by	**7%**	7%	Decrease by	**6%**	6%
Withdrawal Rate	1%	Increase by	**1%**	1%	Decrease by	**1%**	1%
Impact On Defined Benefit Obligation (Leave Encashment)							
Discount Rate	1%	Decrease by	**5%**	5%	Increase by	**6%**	5%
Salary Growth Rate	1%	Increase by	**6%**	5%	Decrease by	**6%**	5%
Withdrawal Rate	1%	Increase by	**1%**	1%	Decrease by	**1%**	1%

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Funding arrangements and funding policy :

Gratuity liability is funded whereas leave Benefits Liability is not funded. There are no minimum funding requirements for Leave benefits plans in India and there is no compulsion on the part of the Company to fully pre fund the liability. The Company has purchased an insurance policy to partly provide for payment of gratuity to the employees. The trustees of the plan also make investments in Central / State Govt. securities, high quality Corporate bonds, special deposit scheme, mutual funds etc., as per rules and regulations. Every year, the actuary carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Amounts for the current and previous years are as follows

(` in lakhs)

	Particulars	31st March, 2019	31st March, 2018
1	**Gratuity (Funded)**		
	Defined Benefit Obligation	**1,770.20**	1,635.46
	Plan Assets	**1,770.20**	1,635.46
	Surplus / (Deficit)	**-**	-
	Experience adjustments on Plan Liability (Loss)	**19.04**	96.94
	Experience adjustments on Plan Assets	**(7.02)**	(12.21)
2	**Leave encashment (Non-Funded)**		
	Defined Benefit Obligation	**773.49**	853.45
	Experience adjustments on Plan Liability	**92.15**	107.52

Company's estimate of Contributions expected to be paid during Financial Year 2019-20 is as under:

(i)	**Defined Contribution Plan :**	
	(a) Employer's contribution to Provident Fund	12% of Basic Salary
(ii)	**Defined Investment Plan :**	
	(a) Gratuity	184.51
	(b) Leave Encashment	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority,promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Note - 35. FINANCE COSTS			
1	Interest Costs		
	(a) Interest on financial liabilities	**712.05**	730.39
	(b) For Income Tax	**76.15**	68.20
2	Other Borrowing Costs	**29.70**	122.60
3	Net Loss on Foreign Currency Translation (attributable to finance cost)	**6.29**	-
4	Dividend on Preference Shares (including Dividend Distribution Tax)	**30.02**	55.27
	Total	**854.21**	976.46
Note - 36. DEPRECIATION & AMORTIZATION EXPENSE			
1	Depreciation & Amortization of Property, Plant & Equipments (Refer Note No. 4)	**2,748.70**	2,633.00
2	Amortization of Other Intangible assets (Refer Note No. 5)	**49.27**	81.19
	Total	**2,797.97**	2,714.19
Note - 37. OTHER EXPENSES			
1	Stores, Spares, Chemicals and Packing Materials Consumed	**3,342.83**	3,298.13
2	Power and Fuel	**5,710.39**	5,425.27
3	Repairs and Maintenance		
	- To Buildings	**63.77**	115.49
	- To Plant and Equipment	**277.87**	331.71
	- To Others	**187.16**	231.32
4	Auditors' Remuneration		
	- As Audit Fees	**9.55**	6.45
	- For Taxation matters	**0.25**	0.35
	- For Other services	**4.33**	7.90
	- For Reimbursement of expenses	**0.75**	0.63
5	Research & Development Expenses	**129.71**	139.69
6	Freight and Forwarding Expenses (Net)	**7,606.49**	6,358.41
7	Sales Promotion Expenses	**8,011.74**	6,705.25
8	Publicity & Advertisement Expenses	**5,220.53**	4,551.40
9	Bad Debts	**8.37**	-
10	Allowance for Expected Credit Loss	**68.96**	163.00
11	Rent Expenses	**872.14**	776.93
12	Insurance	**1,706.93**	1,445.09
13	Rates and Taxes	**41.50**	34.87
14	Loss on Sale of Property, Plant and Equipment (Net)	**62.54**	-
15	Directors' Commission	**28.00**	10.00
16	Directors' Sitting fees	**2.40**	1.30
17	Foreign Exchange Fluctuations (Net)	**-**	36.65
18	Donation	**29.43**	10.69
19	CSR Expenses	**306.83**	279.29
20	Amortization of Prepaid Rentals	**18.98**	18.36
21	Miscellaneous Expenses	**4,455.61**	4,357.43
	Total	**38,167.06**	34,305.61
Note - 38. CURRENT TAX			
1	Current Tax	**6,027.75**	5,035.42
2	Current Tax - for earlier years	**1.23**	(0.39)
	Total	**6,028.98**	5,035.03

Reconciliation of the Income Tax Expense (Current tax + Deferred tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.

(` in lakhs)

Particulars	31st March, 2019	31st March, 2018
Accounting Profit before Income Tax	**18,028.81**	15,492.27
Add : Interest Expense on Income Tax (Refer Note No. 35)	**76.15**	68.20
Accounting Profit before Income Tax	**18,104.96**	15,560.47
India's Statutory Income Tax Rate	**6,336.08**	5,399.67
Due to Income exempt from Taxation	**(12.84)**	(43.11)
Non-Deductible Expenses for Tax purposes	**1,419.27**	578.80
Deductible Expenses for Tax purposes	**(1,015.62)**	(362.87)
Income not chargeable for Tax purpose	**(217.29)**	(125.01)
Effects of Excess/(Less) Tax for Tax purpose on Capital Gain/Loss	**15.64**	-
Adjustments on account of previous years	**(1.13)**	(3.90)
Others	**(5.34)**	(563.74)
Income Tax expense reported in the Statement of Profit and Loss	**6,518.77**	4,879.84

(` in lakhs)

Sr. No.	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
	Note - 39. EARNINGS PER SHARE		
1	Net Profit attributable to the Equity Shareholders (` in lakhs) (A)	**11,512.27**	10,317.77
2	Weighted average number of Equity Shares outstanding during the period (No.) (B)	**1,30,05,874**	1,30,05,874
3	Nominal value of Equity Shares (`)	**5.00**	5.00
4	Basic/Diluted Earnings per Share (`) (A/B)	**88.52**	79.33

The Group does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Group remains the same.

Note - 40. RELATED PARTY DISCLOSURES

40.1 List of Related Parties

Sr. No.	Name	Designation
(A)	**Key Management Personnel of Parent Company :**	
1	Shri Vikram Somany	Chairman and Managaing Director
2	Smt.Deepshikha Khaitan	Vice Chairperson Non Executive
3	Shri Subhash Chandra Kothari	Chief Executive Officer
4	Shri Atul Sanghvi	Executive Director
5	Shri R. B. Shah	CFO & COO (Fin. & Comm.)
6	Shri N. N. Patel	President & Company Secretary
7	Shri Sajan Kumar Pasari	Non Executive Independent Director
8	Shri Lalit Kumar Bohania	Non Executive Independent Director
9	Shri Jugal Kishore Taparia	Non Executive Independent Director
10	Shri Ayush Bagla	Non Executive Independent Director (w.e.f. 18-04-2018)
11	Shri Surendra Singh Baid	Non Executive Independent Director (w.e.f. 18-04-2018)
12	Ms. Akriti Jain	Non Executive Independent Director (w.e.f. 01-11-2018)
13	Shri Govindbhai Patel	Non Executive Independent Director (ceased as Director w.e.f. 18-04-2018)
(B)	**Key Management Personnel of Anjani Tiles Limited :**	
1	Shri CVK Raju	Chief Executive Officer & Non Executive Director
2	Shri K. Nagabhushana Rao	Chief Financial Officer
3	Smt.Richa Bhamotra	Company Secretary
4	Shri PVRLN Raju	Non Executive Director (up to 01-07-2018)
5	Shri Subhash Chandra Kothari	Non Executive Director
6	Shri Atul Sanghvi	Non Executive Director
7	Shri R. B.Shah	Non Executive Director
8	Shri P S Ranganath	Independent Director
9	Shri Jugal Kishore Taparia	Independent Director
10	Shri K Mohanraju	Additional Director (w.e.f.12-10-2018)
(C)	**Key Management Personnel of M/s Packcart Packaging LLP :**	
1	Smt.Kinjal Bhatt	Designated Partner
2	Shri P.C.Surana (Nominee of Cera Sanitaryware Ltd.)	Designated Partner
(D)	**Key Management Personnel of M/s Race Polymer Arts LLP**	
1	Shri P.C.Surana (Nominee of Cera Sanitaryware Limited)	Designated Partner
2	Shri Ashish Sharadkumar Nemani (Nominee of Nemani Mould Plast LLP)	Designated Partner

(E) Other Related Parties:

Sr. No.	Particulars	Nature of Relationship
1	Cera Sanitaryware Limited FZC - Sharjah	Entities where significant influence is excercised by KMP and / or their relatives having transactions with the Group
2	Cera Sanitaryware Trading LLC - Dubai	
3	Madhusudan Industries Limited	
4	Swadeshi Fan Industries Limited	
5	Cera Foundation	
6	Indian Council of Sanitaryware Manufacturers	
7	Vikram Investment Co. Pvt. Limited	
8	Madhusudan Holdings Limited	
9	Madhusudan Gratuity Fund	
10	Milo Tile LLP	
11	Anjani Vishnu Holding Limited	Investor Company of Anjani Tiles Limited
12	Hitech Print Systems Limited	Subsidiary of Investor Company
13	Vennar Ceramics Limited	Associate of Investor Company
14	Goodluck Carriers LLP	Significant influence excersied by KMP
15	Golf Ceramics Limited	
16	Smt.Smiti Somany	Relative of Key Management Personnel
17	Smt.Pooja Jain Somany	
18	Shri P. Satya Naveen	Relative of Key Management Personnel (up to 31-08-2018)

40.2 Disclosures of Transactions between the Group and Related Parties and the status of outstanding balances as on 31st March, 2019:

(` in lakhs)

Sr. No.	Nature of Transaction	Key Management Personnel		Other Related Parties	
		Year ended 31st March, 2019	Year ended 31st March, 2018	**Year ended 31st March, 2019**	Year ended 31st March, 2018
1	Revenue from Operations	**-**	-	**115.68**	547.53
2	Purchase of Goods	**-**	-	**1,549.76**	16.34
3	Investment in Shares	**-**	-	**806.00**	-
4	CSR Expenditure	**-**	-	**306.83**	279.29
5	Donation	**-**	-	**29.17**	7.92
6	Remuneration	**1,497.78**	1,380.84	**71.73**	61.57
7	Consultancy Charges	**9.30**	12.00	**-**	-
8	Rent, Rates & Taxes	**-**	-	**102.39**	97.90
9	Other Service	**12.40**	13.30	**30.30**	18.43
10	Advances given	**-**	-	**66.45**	9.68
11	Contribution to Gratuity Fund	**-**	-	**31.01**	96.36
12	Issue of Share Capital (Preference)	**-**	-	**-**	245.00
13	Management fees to a partner	**4.00**	12.00	**-**	-
	Grand Total	**1,523.48**	1,418.14	**3,109.32**	1,380.02
	(Receivables) Balance Outstanding at the year end	**-**	-	**153.48**	458.50
	(Payables) Balance Outstanding at the year end	**-**	-	**362.80**	-

40.3 The details of amounts due to or due from related parties as at 31st March, 2019 and 31st March, 2018 :

(` in lakhs)

Sr. No.	Particulars	**As at 31st March, 2019**	As at 31st March, 2018
1	Trade Receivables		
	From Other Related Parties		
	Cera Sanitaryware Limited FZC	**150.90**	457.40
	Hitech Print Systems Limited	**0.77**	1.10
	Anjani Vishnu Holdings Limited	**1.81**	-
	Total Trade Receivables from Related Parties	**153.48**	458.50
2	Trade Payables		
	From Other Related Parties		
	Milo Tile LLP	**362.80**	-
	Total Trade Payable to Related Parties	**362.80**	-
3	Advances		
	Other Related Parties		
	Madhusudan Industries Limited	**20.91**	20.91
	Cera Sanitaryware Trading LLC	**-**	9.68
	Milo Tile LLP	**66.45**	-
	Total Advances given to Related Parties	**87.36**	30.59

40.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

(` in lakhs)

Sr. No.	**Nature of Transaction**	**Related Parties**	**Year ended 31st March, 2019**	Year ended 31st March, 2018
1	Investment in Shares	Milo Tile LLP	**806.00**	-
2	CSR Expenses	Cera Foundation	**306.83**	279.29
3	Donation	Cera Foundation	**29.17**	7.92
4	Remuneration	Key Management Personnel	**1,497.78**	1,380.85
		Relatives to KMP	**71.73**	61.57
5	Rent, Rates & Taxes	Madhusudan Industries Limited	**102.39**	97.90
6	Other Services	Madhusudan Industries Limited	**15.73**	16.28
		Non Executive Directors	**12.40**	13.30
7	Advances given	Cera Sanitaryware Trading LLC	**-**	9.68
		Milo Tile LLP	**66.45**	-
8	Contribution to Gratuity fund	Madhusudan Gratuity Fund	**31.01**	96.36
9	Issue of Share Capital (Preference)	Anjani Vishnu Holding Limited	**-**	245.00
10	Management fees to partner	Smt.Kinjal Bhatt	**4.00**	12.00
11	Consultancy charges	Shri PVRLN Raju	**3.00**	12.00
		Shri K Mohanraju	**6.30**	-

40.5 Breakup of compensation paid to Key Management Personnel

(` in lakhs)

Sr. No.	Particulars	Key Management Personnel	**Year ended 31st March, 2019**	Year ended 31st March, 2018
1	Short-Term Employee Benefits	Shri Vikram Somany	**569.96**	583.54
		Shri Subhash Chandra Kothari	**441.02**	344.23
		Shri Atul Sanghvi	**251.87**	230.88
		Dr. K. N. Maiti	**-**	38.03
		Shri R. B. Shah	**105.89**	83.35
		Shri N. N. Patel	**63.37**	49.97
		Shri CVK Raju	**46.50**	45.60
		Shri K Nagabhushana Rao	**7.11**	2.90
		Shri S. Satyanarayana Murthy	**-**	0.42
		Shri Krishna Chaitanya	**-**	1.58
		Smt.Richa Bhamotra	**2.10**	0.35
		Shri K Mohanraju	**9.96**	-
	Commission	Smt.Deepshikha Khaitan	**2.00**	2.00
		Shri Sajan Kumar Pasari	**2.00**	2.00
		Shri Lalit Kumar Bohania	**2.00**	2.00
		Shri Govindbhai Patel	**2.00**	2.00
		Shri Jugal Kishore Taparia	**2.00**	2.00
		Dr. K. N. Maiti	**-**	2.00
	Sitting Fees	Smt.Deepshikha Khaitan	**0.50**	0.40
		Shri Sajan Kumar Pasari	**0.40**	0.10
		Shri Lalit Kumar Bohania	**0.40**	0.10
		Shri Jugal Kishore Taparia	**0.30**	0.30
		Shri Surendra Singh Baid	**0.30**	-
		Ms. Akriti Jain	**0.10**	-
		Shri Ayush Bagla	**0.40**	-
		Dr. K. N. Maiti	**-**	0.10
		Shri Govindbhai Patel	**-**	0.30
2	Post-Employment Benefits		**-**	-
3	Other-Long term benefits		**-**	-
4	Termination benefits		**-**	-
	Total		**1,510.18**	1,394.15

40.6 Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note – 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview:

The Group's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Group's business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Group to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures.

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to the business operations. The Group's principal financial liabilities comprise of trade and other payables. The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are outlined hereunder:

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit Risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and from its financial activities including deposits with banks and other financial instruments. The Group establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables.

(i) Trade Receivables:

The Group extends credits to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Group also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is up to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations.

The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Expected Credit Loss (ECL):

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
0-3 months	Nil
3-6 months	Nil
6-12 months	Nil
Beyond 12 months	10 to 25

(` in lakhs)

Period	As at 31st March, 2019	As at 31st March, 2018
Ageing of past due but not impaired receivables:		
0-3 months	**24,770.99**	22,125.84
3-6 months	**1,682.81**	2,029.52
6-12 months	**1,790.63**	1,621.42
Beyond 12 months	**1,797.62**	1,186.70
Ageing of impaired trade receivables:		
0-3 months	**-**	-
3-6 months	**-**	-
6-12 months	**-**	-
Beyond 12 months	**206.61**	163.00

(ii) Cash and cash equivalents and Short-term investments:

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Group does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

(B) Liquidity Risk:

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets / (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date and where applicable, their effective interest rates.

(` in lakhs)

Particulars	Note No.	As at 31st March, 2019 Not later than one year	Later than one year and not later than five years	Later than five years	Total
Financial Assets					
Trade receivables	11	29,835.44	-	-	29,835.44
Others	7, 14	1,836.26	1,159.56	-	2,995.82
Current investments	10	15,704.97	-	-	15,704.97
Cash and cash equivalents	12	666.47	-	-	666.47
Other bank balances	13	435.15	-	-	435.15
Total		48,478.29	1,159.56	-	49,637.85
Financial Liabilities					
Borrowings - Non-Current	18	-	3,955.44	-	3,955.44
Borrowings - Current	23	4,469.36	-	-	4,469.36
Current payables	24, 25	28,023.21	-	-	28,023.21
Non-current payables	19	-	2,251.80	-	2,251.80
Total		32,492.57	6,207.24	-	38,699.81

Particulars	Note No.	As at 31st March, 2018 Not later than one year	Later than one year and not later than five years	Later than five years	Total
Financial Assets					
Trade receivables	11	26,800.48	-	-	26,800.48
Others	7, 14	1,315.19	1,536.71	-	2,851.90
Current investments	10	10,859.42	-	-	10,859.42
Cash and cash equivalents	12	2,166.98	-	-	2,166.98
Other bank balances	13	196.25	-	-	196.25
Total		41,338.32	1,536.71	-	42,875.03
Financial Liabilities					
Borrowings - Non-Current	18	-	4,590.44	-	4,590.44
Borrowings - Current	23	4,591.21	-	-	4,591.21
Current payables	24, 25	24,640.99	-	-	24,640.99
Non-current payables	19	-	1,670.39	-	1,670.39
Total		29,232.20	6,260.83	-	35,493.03

(C) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest risk and other price risk such as commodity risk.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows approved policy parameters utilizing forward foreign exchange contracts whenever felt necessary. The Group does not enter into financial instrument transactions for trading or speculative purpose.

The Group transacts business primarily in Indian Rupees, USD, Euro and GBP. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopts a policy of selective hedging based on risk perception of the management.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakhs)

Particulars	Currency	As at 31st March 2019	As at 31st March, 2018
Trade receivables	USD	**5.41**	11.65
	AED	**0.33**	-
Trade payables	USD	**0.26**	0.06
	EUR	**0.47**	-
	NPR	**1.96**	-
Advance to suppliers	USD	**0.02**	0.24
	EUR	**2.26**	0.39
	GBP	**-**	0.04
	CNY	**5.76**	-
	AED	**0.02**	-
Advance from customers	USD	**0.63**	0.46
Balance in EEFC account	USD	**3.15**	0.70

Currency Rate	31st March, 2019	31st March, 2018
USD	**69.2024**	65.1434
EUR	**77.6487**	80.2852
GBP	**90.2565**	91.2884
AED	**18.8434**	-
CNY	**10.3119**	-
NPR	**0.6200**	-

Of the above foreign currency exposures, following exposures are not hedged: (in lakhs)

Particulars	Currency	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	USD	**5.41**	11.65
	AED	**0.33**	-
Trade payables	USD	**0.26**	0.06
	EUR	**0.47**	-
	NPR	**1.96**	-
Advance to suppliers	USD	**0.02**	0.24
	EUR	**2.26**	0.39
	GBP	**-**	0.04
	CNY	**5.76**	-
	AED	**0.02**	-
Advance from customers	USD	**0.63**	0.46
Balance in EEFC account	USD	**3.15**	0.70

Sensitivity Analysis:

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(` in lakhs)

Particulars	Change in currency exchange rate	Effect on Profit before tax 31st March, 2019	Effect on Profit before tax 31st March, 2018
USD	5%	**26.60**	39.31
	-5%	**(26.60)**	(39.31)
EUR	5%	**6.95**	1.57
	-5%	**(6.95)**	(1.57)
GBP	5%	**-**	0.18
	-5%	**-**	(0.18)
AED	5%	**0.33**	-
	-5%	**(0.33)**	-
CNY	5%	**2.97**	-
	-5%	**(2.97)**	-
NPR	5%	**(0.06)**	-
	-5%	**0.06**	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

(ii) Interest Rate Risk:

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cashflows which are regularly reviewed by the Board.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below:

(` in lakhs)

Particulars	Change in interest rate	**Effect on Profit tax before 31st March, 2019**	Effect on Profit tax before 31st March, 2018
Non-current & Current Borrowings	0.50%	**(25.83)**	(20.11)
	-0.50%	**25.83**	20.11

(iii) Commodity Risk:

The Group is exposed to the movement in the price of key raw materials and other traded goods in the domestic and international markets. The Group has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Group enters into contracts for procurement of raw materials and traded goods, most of the transactions are short term fixed price contracts and a few transactions are long term fixed price contracts.

Capital Management:

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balances. The capital structure consists of debt which includes the borrowings as disclosed in Note 18, 23 and 25, cash and cash equivalents and current investments and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Group. The Group is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarizes the capital of the Group:

(` in lakhs)

Particulars	**31st March, 2019**	31st March, 2018
Equity	**70,091.14**	60,562.35
Current borrowings (Note No. 23)	**4,469.36**	4,591.21
Non-current borrowings (Note No. 18)	**3,955.44**	4,590.44
Current maturities of non current borrowings (Note No. 25)	**635.00**	435.00
Total Debt	**9,059.80**	9,616.65
Gearing Ratio		
Debt to Equity	**12.93%**	15.88%

Note - 42. FINANCIAL INSTRUMENTS

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's Financial Instruments.

(` in lakhs)

Particulars	Carrying value		Fair value	
	As at 31-March-19	As at 31-March-18	**As at 31-March-19**	As at 31-March-18
Financial Assets				
Financial assets measured at fair value				
Current				
Investments	**15,704.97**	10,859.42	**15,704.97**	10,859.42
Financial assets measured at amortised cost				
Non-Current				
Investments	**2,080.93**	0.13	**-**	-
Bank FDs with more than 12 months maturity (at amortised cost)	**521.45**	906.61	**-**	-
Margin Money Deposits held as security against Borrowings with more than 12 months maturity	**303.12**	271.15	**-**	-
Security Deposit	**334.99**	358.95	**-**	-
Current				
Security Deposit	**136.57**	26.55	**-**	-
Trade receivables	**29,835.44**	26,800.48	**-**	-
Cash and cash equivalents	**666.47**	2,166.98	**-**	-
Other bank balances	**435.15**	196.25	**-**	-
Insurance claims receivables	**130.66**	128.88	**-**	-
Advances	**53.73**	61.19	**-**	-
Interest accrued and receivable	**0.77**	0.62	**-**	-
Incentive / Grants receivable from Gorernment (Power & VAT/CST/SGST/Interest Subsidy)	**1,514.53**	1,097.95	**-**	-
Total	**51,718.78**	42,875.16	**15,704.97**	10,859.42
Financial Liabilities				
Financial liabilities measured at amortised cost				
Non-Current				
Borrowings	**3,955.44**	4,590.44	**-**	-
Deposits by Dealers	**2,229.57**	1,648.16	**-**	-
Other financial liabilities	**22.23**	22.23	**-**	-
Current				
Borrowings	**4,469.36**	4,591.21	**-**	-
Trade payables	**11,093.97**	9,453.79	**-**	-
Current maturities of long term debt	**635.00**	435.00	**-**	-
Unpaid dividends	**100.80**	88.67	**-**	-
Retention money payable	**358.47**	328.48	**-**	-
Employee related payables	**3,314.66**	3,333.69	**-**	-
Expenses payables	**12,490.29**	10,946.09	**-**	-
Dividend Payable on Preference Shares (including Dividend Distribution Tax)	**30.02**	55.27	**-**	-
Total	**38,699.81**	35,493.03	**-**	-

The management assessed that fair value of short-term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurements of all assets and liabilities (other than investments in mutual funds) is at amortised cost, using effective interest rate method.

The following methods and assumptions were used to estimate the fair values:

- The fair value of the Group's interest bearing borrowings are determined using discount rate that reflects the entity's discount rate at the end of the reporting period. The own non-performance risk as at the reporting period is assessed to be insignificant.
- The fair value of unquoted instruments and other financial assets and liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

42.1 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Parent Company's assets.

(` in lakhs)

Particulars	**Date of valuation**	**Fair value measurement using**			
		Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Disclosures fair value measurement hierarchy for assets as at 31st March, 2019:					
Assets measured at fair value:					
Investments	31-Mar-19	15,704.97	15,704.97	-	-
There have been no transfers between Level 2 and Level 3 during the period.					
Disclosures fair value measurement hierarchy for assets as at 31st March, 2018:					
Assets measured at fair value:					
Investments	31-Mar-18	10,859.42	10,859.42	-	-
There have been no transfers between Level 2 and Level 3 during the year ended 31st March, 2018.					

Note - 43. MOVEMENT IN PROVISIONS

Disclosure of Movement in Provisions during the year as per Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets :

(` in lakhs)

Particulars	Balance as on 1st April, 2018	Provided during the year	Paid/Adjusted during the year	**Balance as on 31st March, 2019**
Non-current Provisions				
For Accumulated leaves	494.48	19.69	4.76	**509.41**
For Gratuity	10.57	0.75	1.62	**9.70**
Income Tax of earlier years	180.78	-	33.37	**147.41**
Total	**685.83**	**20.44**	**39.75**	**666.52**
Current Provisions				
For Accumulated leaves	372.42	256.67	349.82	**279.27**
For Gratuity	0.01	2.67	-	**2.68**
Total	**372.43**	**259.34**	**349.82**	**281.95**
Grand total	**1,058.26**	**279.78**	**389.57**	**948.47**

Note - 44. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The dues to Micro, Small & Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

(` in Lakhs)

	Particulars	31st March, 2019	31st March, 2018
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal amount due to micro, small & medium enterprises;	62.80	433.28
	Interest due on above	-	-
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	"The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006".	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note - 45. COMMITMENTS AND CONTINGENCIES

(a) Leases

Operating lease commitments

The Group has obtained some premises on operating leases. Few of the leases for premises are long term and are non-cancellable. Further, there is an escalation clause in the lease agreement.

Lease payments of ` 872.14 lakhs (previous year – ` 776.92 lakhs) have been recognized as an expense in the Statement of Profit and Loss during the year.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(` in lakhs)

Particulars	31st March, 2019	31st March, 2018
Not later than one year	**189.22**	121.02
Later than one year but not later than five years	**703.60**	466.59
Later than five years	**365.92**	109.30
(b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**2,272.86**	2,642.35
(c) Contingent Liabilities		
Claims against the Group not acknowledged as debts (Net of Payments)	**124.38**	132.87
Letters of Credit (Foreign & Inland) opened and guarantees given (Net)	**5,208.46**	4,609.10

Note - 46. DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013:

(` in lakhs)

For Associates

Particulars	Milo Tile LLP		Cera Sanitaryware Ltd FZC		Cera Sanitaryware Trading LLC	
	As at 31st March, 2019	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018	**As at 31st March, 2019**	As at 31st March, 2018
Investments*						
Investments at the beginning of the year	**-**	-	**2.20**	2.20	**32.10**	32.10
Addition during the year	**806.00**	-	**-**	-	**-**	-
Investments at the end of the year	**806.00**	**-**	**2.20**	**2.20**	**32.10**	**32.10**
Loans & advances						
Loans at the beginning of the year	**-**	-	**-**	-	**-**	-
Addition during the year	**-**	-	**-**	-	**-**	-
Recovered during the year	**-**	-	**-**	-	**-**	-
Loans at the end of the year	**-**	-	**-**	-	**-**	-

*The Company has paid amounts towards its Capital Contribution.

Note - 47. DIVIDENDS PAID AND PROPOSED

(` in lakhs)

Sr. No.	Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
1	**Dividend on Equity Shares**		
	(a) **Declared and paid during the year :**		
	Final dividend for FY 2017-18: ` 12 per share (FY 2016-17: ` 12 per share)	**1,560.70**	1,560.70
	Dividend Distribution Tax paid	**320.81**	317.72
	(b) **Proposed for approval at the ensuing annual general meeting (not recognised as a liability) :**		
	Final dividend for FY 2018-19: ` 13 per share (2017-18: ` 12 per share)	**1,690.77**	1,560.70
	Dividend Distribution Tax	**347.54**	320.81
2	**Dividend on Preference Shares @1%**		
	Recognised as liabilty (Non-Controlling Interest)	**20.77**	38.32
	Dividend Distribution Tax	**4.27**	7.88

Note - 48. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and Development expenditure incurred is set out below :

(` in lakhs)

Sr. No.	Particulars	2018-19	2017-18
1	Capital expenditure	**1.79**	35.50
2	Revenue expenditure	**129.71**	139.69

Note - 49. OPERATING SEGMENTS

The Parent Company operates mainly in manufacturing of Building Products and all other activities are incidental thereto, which have similar risk and return. Accordingly, there are no separate reportable Segment as required under Ind AS 108 “Operating Segment”.

The Revenue from transactions with the single external customer amounting to 10% or more of the Group’s Revenue is NIL.

Note - 50.

Balances of certain debtors, creditors, loans & advances and deposits are subject to confirmation. Due adjustments will be made on receipt thereof, if necessary.

Note - 51.

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

NOTE - 52. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III TO COMPANIES ACT, 2013 AS AT 31ST MARCH, 2019

(` in Lakhs)

Name of the entity	Net Assets i.e. Total assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	`	As % of Consolidated Profit or Loss	`	As % of Consolidated Other Comprehensive Income	`	As % of Consolidated Total Comprehensive Income	`
Parent								
Cera Sanitaryware Limited	99.89%	70,015.62	99.94%	11,505.33	-101.73%	(103.68)	99.93%	11,401.65
Subsidiaries								
Indian								
Packcart Packaging LLP	0.23%	163.58	0.06%	6.51	0.71%	0.72	0.06%	7.23
Anjani Tiles Limited	1.74%	1,222.75	0.00%	0.09	2.69%	2.74	0.03%	2.83
Race Polymer Arts LLP	1.03%	722.62	-0.02%	(1.89)	0.00%	-	-0.02%	(1.89)
Sub Total	**3.00%**	**2,108.95**	**0.04%**	**4.71**	**3.40%**	**3.46**	**0.07%**	**8.17**
Associates (Investment as per Equity method)								
Indian								
MILO Tile LLP	-	-	0.03%	3.12	-	-	0.03%	3.12
Foreign								
Cera Sanitaryware Limited FZC	-	-	-	-	-	-	-	-
Cera Sanitaryware Trading LLC	-	-	0.01%	1.43	-	-	0.01%	1.43
Sub Total	**-**	**-**	**0.04%**	**4.55**	**-**	**-**	**0.04%**	**4.55**
Total	**102.89%**	**72,124.57**	**100.02%**	**11,514.59**	**-98.33%**	**(100.22)**	**100.04%**	**11,414.37**
Non-Controlling Interests in Subsidiaries	-1.46%	(1,033.40)	-0.02%	(2.32)	-1.67%	(1.70)	-0.04%	(4.02)
Adjustments arising out of consolidation	-1.43%	(999.98)	-	-	-	-	-	-
Total	**100.00%**	**70,091.19**	**100.00%**	**11,512.27**	**-100.00%**	**(101.92)**	**100.00%**	**11,410.35**

Note - 53.

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

As per our report of even date attached
For **N.M.Nagri & Co.**
Chartered Accountants
(Firm Registration No.: 106792W)
N.M.Nagri
Proprietor
Membership No. 016992
Place : Ahmedabad
Date : 14th May, 2019

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

Narendra N.Patel
President &
Company Secretary
Mem.No.FCS:3249

Vikram Somany (DIN:00048827) Chairman and Managing Director
Deepshikha Khaitan (DIN:03365068) Vice Chairperson and Director
Sajan Kumar Pasari (DIN:00370738) Director
Lalit Kumar Bohania (DIN:00235869) Director
Surendra Singh Baid (DIN:02736988) Director
J. K. Taparia (DIN:07509049) Director
Akriti Jain (DIN:08259413) Director
Ayush Bagla (DIN:01211591) Executive Director
Atul Sanghvi (DIN:00045903) Executive Director & CEO

CERA

Cera Sanitaryware Limited

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

DP ID	Client ID	Folio No.	No. of shares held

ATTENDANCE SLIP

Annual General Meeting - 2019
at Regd. Office : 9, GIDC Industrial Estate, Kadi - 382 715, Dist. Mehsana, Gujarat.

Name of the attending Member/Proxy (In block letters) :

I hereby record my presence at the Annual General Meeting held at 11.30 a.m. on 31st July, 2019.

____
Member's / Proxy's Signature

Notes : 1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
2. Members are requested to bring copy of Annual Report with them.

- -

CERA

Cera Sanitaryware Limited

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

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

PROXY FORM

Name of the member(s) : ______________________
Registered address : ______________________
E-mail Id : ______________________
Folio No. / Client Id : ______________________
DP Id : ______________________

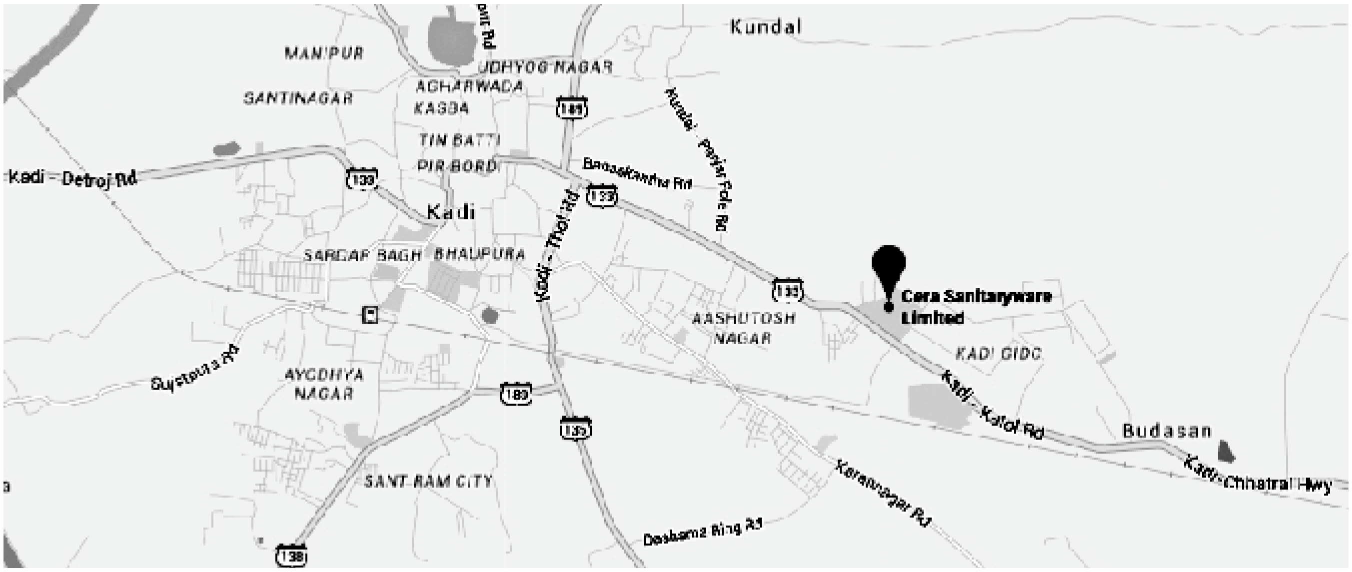
I/We, being a member(s) of ____________ shares of Cera Sanitaryware Limited, hereby appoint :

1. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature ______________________ , or failing him
2. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature ______________________ , or failing him
3. Name : ______________________
   Address : ______________________
   E-mail Id : ______________________
   Signature ______________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Wednesday, the 31st July, 2019 at 11.30 a.m. at the registered office of the Company at 9, GIDC Industrial Estate, Kadi-382715, Dist. Mehsana, and at any adjournment thereof in respect of such resolutions as are indicated below:

PTO

Route Map for Annual General Meeting



Resolutions:	For	Against
1. To consider and adopt Audited Financial Statements, Reports of Board of Directors and Auditors.		
2. Declaration of dividend on Equity Shares.		
3. Re-appointment of Shri Atul Sanghvi as Director, who retires by rotation.		
4. Ratification of remuneration payable to Cost Auditors.		
5. Appointment of Ms. Akriti Jain as Independent Director.		
6. Appointment of Shri Ayush Bagla as Executive Director.		
7. Payment of Commission to Smt. Deepshikha Khaitan.		

Signed this ____________ day of ___________ 2019.

Affix Revenue Stamp

Signature of Shareholder(s) ______________________

Signature of Proxy Holder(s) ______________________

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.


CÈRA


CERA

CERA SANITARYWARE LIMITED

CIN: L26910GJ1998PLC034400
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